Cooperative Service Agreements Policy (International Trust Funds)

A Guide

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Introduction

Preclearance programs involve inspection at the point of origin of fruits, vegetables, and nursery products and the certification of vessels before shipments are made to the United States. They provide protection to United States agriculture from exposure to exotic plant diseases and pests and, at the same time, shippers benefit from the programs since infested commodities will not be shipped and rejected upon arrival in the United States.

At the request of exporters and contingent on APHIS's ability to provide preclearance services, agreements are developed outlining the responsibilities of each party to accomplish the programs' goals and objectives. These Cooperative Service Agreements (Trust Funds) enable APHIS to provide technical assistance, goods and/or services to nonfederal entities on a *full cost recovery basis.*

Overall Policy

APHIS will only work with *one* Cooperator per country per commodity. Individuals or organizations that enter into Cooperative Service Agreements (Trust Funds) *must provide funds in advance* of receiving inspection services**.** The amount to be advanced will be based on the annual budget estimate. For Cooperators with preclearance activity extending over a period of less than 6 months, a deposit must be received for the entire estimated amount. For preclearance activity extending longer, the initial deposit will be based on a 90 day advance payment based on the annual budget estimate**.** All deposits must be received by no later than 60 days prior to the start of a new season. All further payments must be paid by the schedule established in a financial plan.

References

Chapter 6 of the Agreements Management Manual outlines APHIS policy and procedure for initiating and administering cooperative service agreements. Costs associated with Cooperative Service Agreements (including Trust Funds) are outlined in Chapter 15 - Cost Identification and Recovery of the APHIS Budget and Accounting Manual. Full Cost Recovery is mandated by OMB Circular A-25. All documents are located in Appendix 3 of this guide.

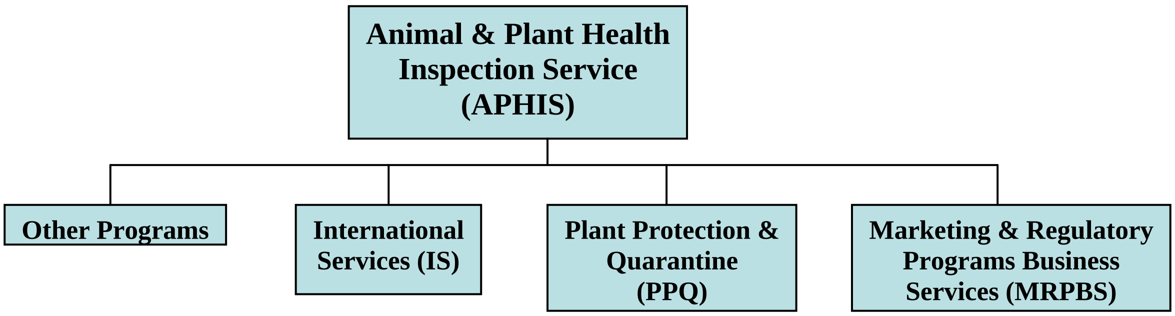
Index of Acronyms

Several terms are listed in Appendix 1 one in order to reduce the amount of text in this guide and to facilitate its readability. Because this guide is intended as a reference document with chapters independent of each other, and, thus, not a linear work, writing each of these terms at the outset of each chapter could be confusing to the reader/user. Therefore, the terms are fully written and listed in this index only. Only the acronyms are used in the rest of the text. For definitions to some of these terms and other unlisted ones, please refer to the Glossary.

Chapter 1
Roles and Responsibilities

Below is a summary of the major roles of the entities involved with administrative support and oversight for cooperative trust funds:

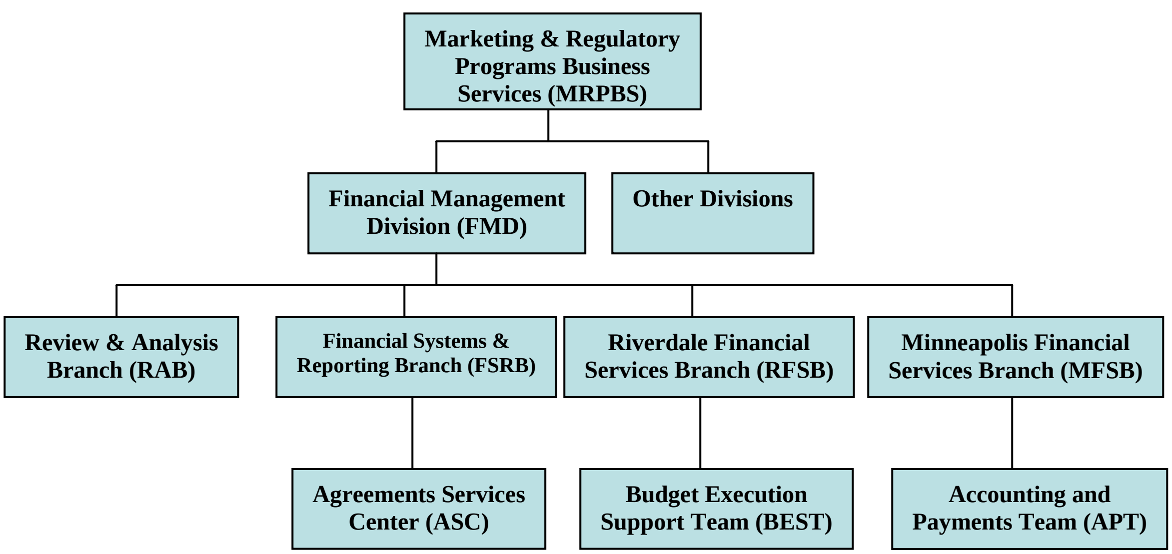
APHIS Organization Chart With IS, PPQ and MRPBS



Plant Protection and Quarantine (PPQ) and International Services (IS)

- Provide program oversight and ADODR responsibilities including negotiation and development of agreements and their related work and financial plans.
- Monitor work accomplishments and expenditures to ensure they are consistent with budgeted activities and adjust work and financial plans as needed.
- Obtain, maintain and/or submit obligating documents to FMD as appropriate to the specific account.

MRPBS Organizational Chart



Financial Management Division Review and Analysis Branch (FMD-RAB)

Contact:	Judith B. Allen (301) 734-5561	Brendon Burrows (301)734-3176
	Marcus Carpenter (301) 734-4178	

- Provide overall oversight of trust fund policies and issue resolutions.
- Ensure consistent trust fund management.
- Serve as point of contact with regions and/or the Cooperator on issues related to trust fund management.
- Conduct reviews and audits of trust fund accounts to ensure compliance with Federal laws, regulations and policy.
- Issue reports of trust fund review findings, containing recommendations for correction to the DAs and all other interested parties.
- Track the implementation of trust fund review recommendations.
- Facilitate communication between the field and headquarters units.
- Provide trust fund training, including hosting trust fund conferences.

Financial Management Division Agreements Services Center (FMD-ASC)

Contacts:	Carol Coldren (301) 734-8109	Victoria Irving (301) 734-8060

- Interface/interact with and provide technical direction to PPQ/IS Regional/Area Directors, Program Managers and Staff Officers at Headquarters and in the field worldwide, exporters and official of other agencies/departments <u>in initiating and administering Cooperative Service Agreements (Trust Funds), including preparing notice of award, work plan, and financial plan.</u>
- Provide technical support in the development of agreements, and submission for signature and distribution to the Cooperator and/or ADODR.
- Serve as primary contact to the Cooperators on agreement initiation, compliance and technical guidance issues.
- Develop cooperative service agreements and related documents.
- Make requests to PPQ to establish an accounting code for obligating documents.
- Initiate request for advance of funds to cooperator to be deposited with APHIS prior to providing inspection services as required under terms of agreement.
- Initiate action to close accounts where agreement termination is concerned.
- Prepare correspondence to all cooperators and program managers to provide policy interpretation and guidance related to Cooperative Service Agreements.
- Participate when necessary with the FMD-RAB in conducting reviews/audits of trust fund accounts.
- Collaborate with FMD-RAB in the development of Agency policy relating to trust fund management with input from MRPBS and other units performing specialized related functions.
- Provide administrative oversight of remote administrative field personnel activity as it relates to the area of agreements execution.

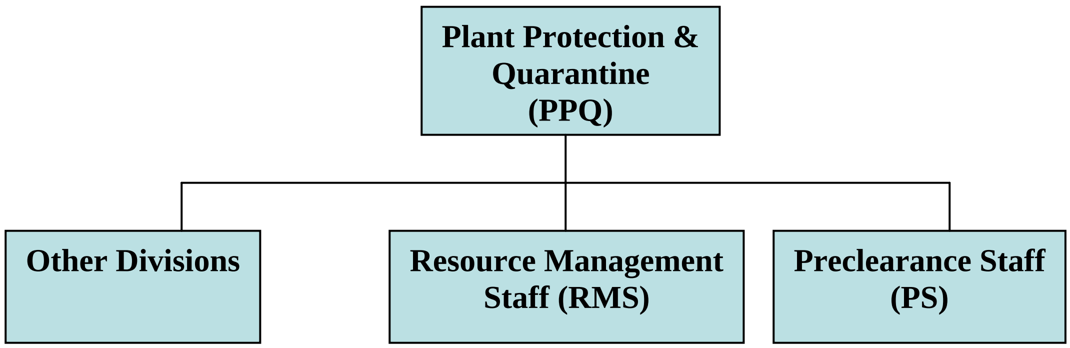
- Provide training and guidance for administrative field personnel as it relates to the area of agreements execution.

Financial Management Division – Minn. Accounting & Payments Team (MFSB- APT)

Contact:	Tom Grahek (612) 336-3411	David Santelman (612) 336-3237	Cindy Geariety (612) 336-3279
	Michelle Schmid (612) 336-3244	Vikki Soukup (612) 336-3247	

- Interface/interact with and provide technical direction to PPQ/IS Regional/Area Directors, Program Managers, FMD groups and Staff Officers at headquarters and in the field worldwide, exporters and officials of other Agencies/Departments in administrative matters relating to the official accounting reports and the national trust fund statements.
- Oversight of operational implementation of APHIS trust fund financial policies, procedures, roles, and regulations.
- Policy input for assigned areas of responsibilities.
- Prepare and distribute timely international trust fund statements for services rendered to TFMs and PPQ-RMS on a monthly basis and, if requested by the region, to Cooperators. Provide copies of these statements to Regional/Area Directors and ADODRs.
- Receive and deposit trust fund revenues.
- Ensure distribution of funds collected to proper APHIS accounts (i.e., direct program deliver and overhead).
- Provide agency personnel with guidance on cooperative service agreement issues pertaining to monthly statements and accounting reports.
- Participate when necessary with the FMD-RAB in conducting reviews/audits of trust fund accounts.
- Assist the Regional/Area Directors with debt management of delinquent Cooperative Service Agreements, by working through local and regional TFMs to ensure that these agreements do not place the agency in danger of violating Anti-Deficiency Act.
- Serve as secondary contact to the Cooperators on agreement financial disputes (field office serves as the primary contact.)
- Complete close-out of accounts or issue reimbursement to Cooperator, after PPQ-RMS has reconciled the account and upon receipt of request from the FMD-ASC or close accounts when Cooperator defaults.
- Provide the FMD-ASC and FMD-RAB with status of billings and receipt of funds.
- Provide administrative oversight to remote administrative field personnel activity as it relates to the international trust fund statements and the accounting systems.
- Provide training and guidance of administrative field personnel as it relates to the international trust fund statements and the accounting systems.
- Serve as a point of contact on promissory notes, non payment, and outstanding debt.
- Provide final reconciliation for closing of account in cooperation with PPQ and IS.

PPQ Organizational Chart



Plant Protection and Quarantine Preclearance Staff (PPQ-PS)

Contacts:	Paul McGowan (301) 734-3364	Stephanie Hyatt (301) 734-6404

- Receive, review, and approve/deny the Preclearance Program Application Package.
- Receive request for Preclearance Officers to go to the field
- Provide officers from PPQ to perform preclearance activities
- Review each account requesting officers to ensure sufficient funds are available for payment of the officers' salaries and benefits. If there are insufficient funds, PPQ-PS will contact the in country IS office and inform them that officers will not be sent until funds become available.

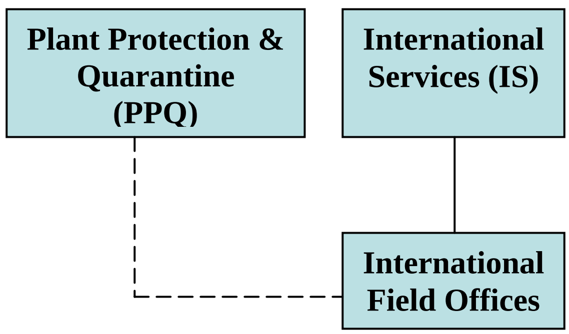
Plant Protection and Quarantine Resource Management Staff (PPQ-RMS)

Contacts:	Sherry Parsons (301) 734-5660	Jean Monar (301) 734-5695	Jean Montague (301) 734-6600
	Linda Taylor (301) 734-5466	Sherman Tyler (301) 734-4884	

- Interface/Interact with and provide technical direction to PPQ/IS Regional/Area Directors, Program Managers and Staff Officers at headquarters and in the field worldwide, exporters and officials of other Agencies/Departments <u>in matters relating to account reconciliation and status of funds reporting.</u>
- Serve as liaisons between MFSB Accounting and Payments Team, FMD-ASC, PPQ-PS, and field units on matters relating to various trust fund accounts.
- Provide BRIO reports and other technical support related to FFIS and BRIO systems to administrative field personnel.
- Provide training and guidance of administrative field personnel as it relates to account reconciliation.

- Reconcile accounts on a timely basis to ensure that all costs associated with trust funds are properly charged and initiate corrections when necessary.
- Enter monthly and year end estimates to reflect projected obligations that have not yet hit the account system.
- Ensure receipt of all obligating documents, or a copy thereof, from administrative field personnel.
- Provide agency personnel and the cooperator with guidance on cooperative service agreement issues pertaining to monthly statements and accounting reports.
- Participate with FMD-RAB in conducting reviews/audits of trust fund accounts.
- "Close" a budget account.
- Collect and report all accounting trust fund data in a monthly, quarterly statements, and end-of-year Close Out manner to APHIS and ultimately to the Department as part of the Congressional Record.

PPQ and IS Interaction Chart



Field Offices

- Comply with Chapter 4, Appendix B (Approval Protocol for Establishing Preclearance) and Appendix C (Model Preclearance Workplan) of the Commodity Preclearance Program Management Guidelines located in Appendix 4 of this guide, and provide the necessary information to the PPQ-PS when initiating a new trust fund.
- Provide timely notification to PPQ-PS of management and inspection vacancies, with a minimum of 45 days anticipation.
- Provide monthly reconciliation of each account and report any disputed charges to assigned financial technician immediately upon recognition.
- Provide certification of monthly reconciliation to PPQ-RMS. This must be signed by both the individual responsible for the reconciliation of the account and their supervisor.
- Develop a yearly updated financial plan. Submit this plan to PPQ-RMS for approval with a minimum of 90 days before the season begins.
- Maintain informal ledger of expenditures, as well as records of all financial source documents. (i.e., receipts, PCMS records, charges, T&A files, etc.).
- Report monthly status of funds (SOF) to headquarters

- Review the financial plan/budget throughout the year to assure its validity. A current copy should always be distributed to the FMD-ASC and PPQ-RMS.
- Develop a yearly technical plan. A current copy should always be distributed to the FMD-ASC.
- Safeguard all personal information on official reports. (i.e., Social Security Numbers, etc.)
- Communicate needs to appropriate offices (i.e., call if you have not received your statements, etc.)
- Advise PPQ-PS if a specific program will not operate for the upcoming year.
- Provide on-site management and interfacing with cooperators.

Chapter 2
ADODR/OIC Responsibilities

(As prescribed in Chapter 6 of the Agreements Management Manual)

Note - Although the ultimate responsibility for carrying out these duties lies with the ADODR, some of these duties are assigned to other staffs. In most cases the ADODR responsibilities reside with the Officer in Charge (OIC).

The ADODR/OIC is the Authorized Departmental Officer's Designated Representative named in the Cooperative Service Agreement to carry out the following duties.

- Present initial terms and conditions of the cooperative service agreement including the work plan and financial plan.

- Ensure that all arrangements agreed to by APHIS and the cooperator are documented in writing and maintained as part of the official agreement file.

- Monitor APHIS's performance in accordance with the established protocol, work plan, or responsibilities set forth in the cooperative service agreement. The ADODR/OIC will visit the worksite as appropriate and when deficiencies are noted, promptly notify the Director of Preclearance in writing.

- Account for cooperator funds to ensure a sufficient balance is available to cover the expenses anticipated to be incurred by APHIS during a forecast period. The ADODR/OIC will notify the cooperator if the account balance becomes insufficient and curtail APHIS' performance until additional funds are deposited.

- Initiate and complete cooperative service agreement continuation or close out, as appropriate.

- Notify the Regional Director when unilateral termination of the cooperative service agreement by APHIS is warranted.

- Obtain signatures for cooperative service agreements.

Chapter 3
Preclearance Program Application Package

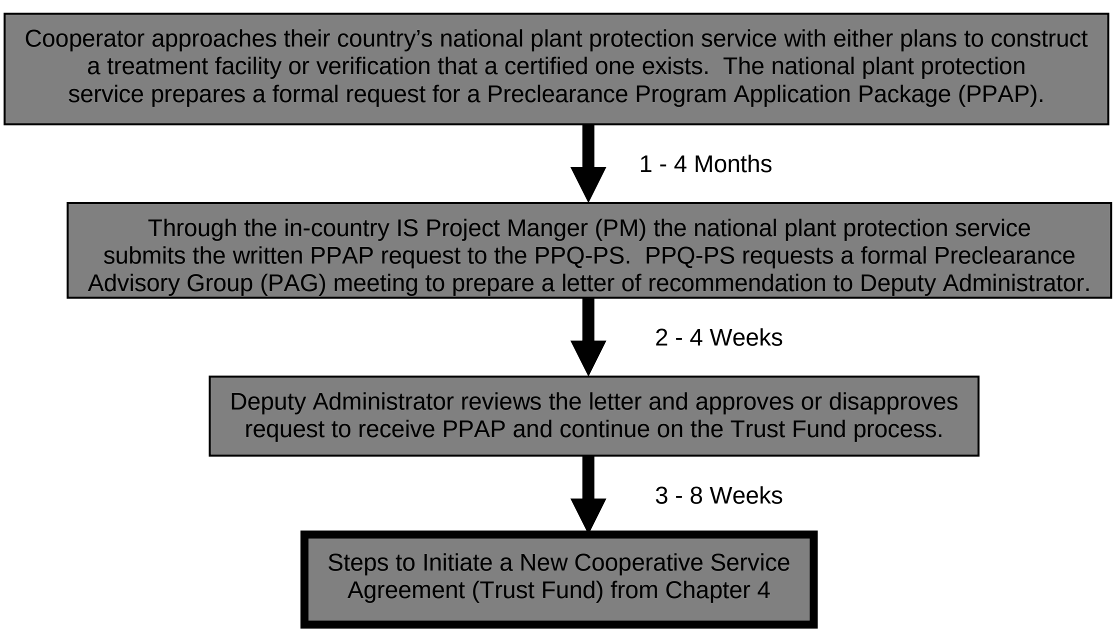
The PPQ-PS requires an application package to be completed before recommending the program be issued an accounting code or begin the process of writing a formal Cooperative Service Agreement. After completion of the application package, PPQ-PS will notify the Preclearance Advisory Group and schedule a review and approval/denial meeting. The PPQ-PS will advise the in-country ADODR/OIC of the Preclearance Advisory Group meeting results.

The application package requires that the ADODR/OIC provide the following information to the PPQ-PS when initiating a new trust fund:

- Completed the Preclearance Application Form to provide administrative, personnel, transportation, security and logistics information
- All information required in the Model Preclearance Work Plan located in Appendix C of the Commodity Preclearance Program Management Guidelines (located in Appendix 3 of this guide, or at: http://www.aphis.usda.gov/ppq/preclearance/approve_protocol.pdf).
- A completed response to the Approval Protocol for Establishing Preclearance found in Appendix B of the Commodity Preclearance Program Management Guidelines (located in Appendix 3 of this guide, or at: http://www.aphis.usda.gov/ppq/preclearance/approve_protocol.pdf).

Requests for the PPQ-PS to fill management and inspection vacancies must be provided in a timely manner, with a minimum request timeframe of 45 days prior to the beginning service date.

Process to Request Preclearance Program Application Package



PRECLEARANCE PROGRAM APPLICATION

General information

Date_________________

Preclearance Office use only
Analyst Assigned ______________

Program Manager ________________

Duty Station _____________________

Location of Prospective Preclearance Program _________________________________

Date of proposed Program initiation (minimum 45 days from current date) ___________

Logistical Cost Analysis:

Staffing Costs

- How many inspectors do you require? _________________________
  - What grade level/s are you looking for? GS/9 GS/11 GS13
- Will a TDY inspector supervisor be required? ___________________
- How many administrative personnel do you require?______________
  - What grade level/s are you looking for? GS/9 GS/11 GS13

Airfare

- List the prospective travel dates during the season _________________
  ____
- Identify all arrival/departure airports in and out of the country ________
  ____
- Will additional ground transportation be required upon arrival? Yes No

Accommodations

- Are adequate hotel accommodations available within the per diem rate in the vicinity of the facility? Yes No
- If answered "Yes," list the names and addresses of the hotels. ________
  ____
  ____
- If a contract with a hotel is anticipated, how many optional hotels are available if the inspector is not satisfied with the hotel service? _________________
- List the names and addresses of these hotels also. _________________
  ____
  ____

Transportation and Security Status in the country

- Describe the road conditions.
  - Are the roads safe in regards to civil unrest, crime or other present dangers?
    ____
    ____
  - Are the roads paved? _______________
- What anticipated internal transportation costs are there?
  - What type of transportation? Car Bus Train Air

Program Analysis:

Program Specifics

- Season Timeframe _______________
- Expected Commodity Export Volume _________________
- Packing Facility Information
    - Are there adequate facilities for meals? Please describe. _____________
    ____
    ____
    - What type of communication equipment is available? i.e. phone, fax, etc.
    ____
    - What office arrangements are there? i.e. type of furniture, desk, lights, electricity, etc. ____
    ____
    ____
    - Are there minimum hygiene and sanitation areas/restroom facilities available?
        - Is there running water?
    - What type of hired security is provided in the facility? ________________
    ____
    ____
    - At what distance is the nearest adequate medical facility? ________ miles

List any mitigations (special circumstances) that are anticipated in your Program; i.e. treatments or other measures.

____
____
____
____
____

Chapter 4
Steps to Initiate a New Cooperative Service Agreement (Trust Fund)

Once the steps outlined in Chapter 3 have been completed with approval by PPQ-PS, the ADODR/OIC may begin the process to obtain a new Cooperative Service Agreement with the soliciting Cooperator. The following steps highlight this process, and should be considered as concurrent steps as opposed to a linear progression of events.

1. After approval by Preclearance, the FMD-ASC is notified by PPQ or the ADODR/OIC to begin the agreement process.

2. The FMD-ASC works with the ADODR/OIC located in the prospective country to provide technical direction in the preparation of the agreement package.

3. The ADODR/OIC simultaneously provides PPQ-RMS with a financial plan for approval and provides the FMD-ASC with a:

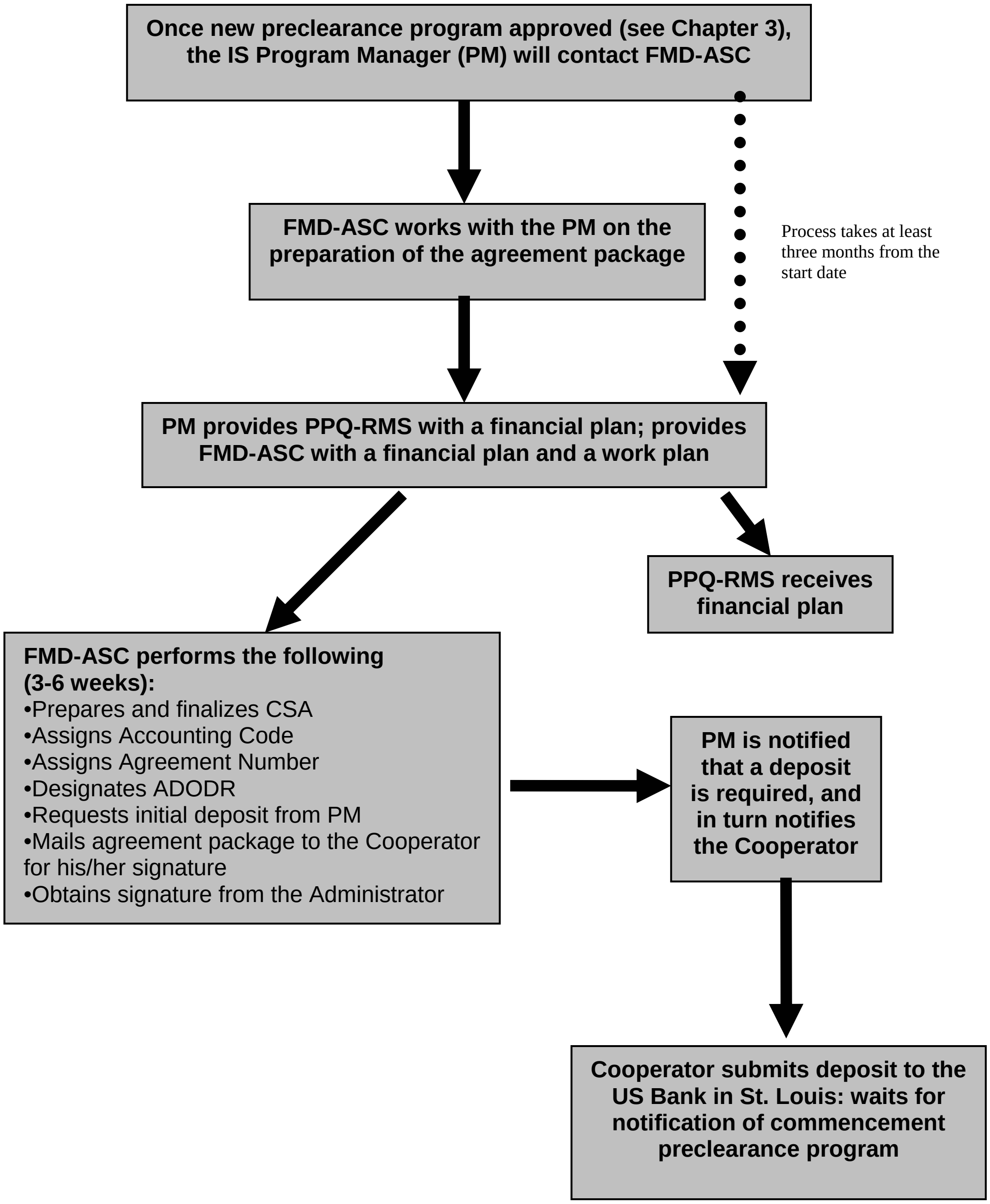
- Financial Plan (as outlined in Chapter 5-9 of this guide), and a
- Work Plan (as outlined in Chapter 5-8 of this guide)

4. The FMD-ASC performs the following:

- Prepares and finalizes Cooperative Service Agreement
- Assigns Accounting Code
- Assigns Agreement Number
- Designates ADODR
- Requests initial deposit from ADODR/OIC
- Mails agreement package to the Cooperator for his/her signature
- Obtains signature from the Administrator
- Submit copies to MFSB Accounting and Payments Team

5. The ADODR/OIC in turn notifies the Cooperator that a deposit is required at this time. The deposit is sent in either electronic or check form to the US Bank in St. Louis. Upon receipt of the deposit the bank will transmit the information into FFIS. Then, FFIS will update the data warehouse (BRIO reports). Once the PPQ-PS is given the deposit, the agreement will go into effect and the preclearance program will begin. They will coordinate the process of identifying inspectors and establishing site visit schedules.

Steps to Initiate a New Cooperative Service Agreement (Trust Fund)



Chapter 5
Cooperative Service Agreement Package (Trust Fund)

The Cooperative Service Agreement (Trust Fund) Package contains the following three items: the Notice of Agreement, the Work Plan, and the Financial Plan/Budget Estimate. These documents formalize the nature, terms, and conditions of the relationship between APHIS and the Cooperator.

Notice of Agreement

The Notice of Agreement contains the following:

Heading

Officially identifies the cooperating parties of the agreement.

Article 1 - Purpose

States the purpose in specific terms to cover (what, why, how, and where work is to be performed. Express mutual benefit.

Article 2 - Legal Authority

For APHIS to (1) cooperate, (2) to do the work and (3) to collect fees/recover costs.

APHIS is authorized by the Plant Protection Act, Sec. 431(a), Public Law 106-224, to cooperate with other Federal agencies, the governments of foreign countries, international organizations, states and their political subdivisions, farmer's associations and similar organizations, and other persons to detect, eradicate, suppress, control, and prevent or retard the spread of plant pests and diseases.

Persons authorized to travel under this Agreement must travel in accordance with Federal Travel Regulations, Agriculture Travel Regulations, and Marketing and Regulatory Program Travel Supplements.

APHIS is required to adhere to the definition of full cost recovery given in OMB Circular A-25. Full cost includes all direct and indirect costs to any part of the Federal Government for providing a good, resource, or service.

Section 2509(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136(a), referred to as the FACT Act, authorizes APHIS to collect user fees for agricultural quarantine and inspection (AQI) services. The FACT Act was amended by section 504 of the Federal Agricultural Improvement and Reform Act of 1996 (Public Law 104-127) on April 4, 1996. The AQI services can be provided upon arrival at a port in the customs territory of the United States or preclearance or preinspection at a site outside the customs territory of the United States.

Article 3 - Mutual Responsibilities

Include joint activities and work and financial plans.

Article 4 - The Cooperator's Responsibilities

1. Designation in writing, to APHIS, of an authorized representative responsible for administering activities under the agreement.

2. Deposit requirements

3. Acquisition from the government of (country) necessary permits and licenses required to carry out program activities.

Article 5 - APHIS Responsibilities

1. Designation of the ADODR (Authorized Departmental Officer's Designated Representative).

2. Management approach of the program activity.

3. Establishment of charges/fees and payment terms.

Article 6 - Contingency Statement

This Agreement is contingent upon (the name of the cooperator) depositing in advance, with APHIS, funds needed to conduct covered activities or to provide goods within the availability of APHIS resources, Further, the (name of cooperator) agrees to pay all of APHIS' actual costs incurred.

Article 7 - Agreements With Other Entities

Agreements With Other Entities - That nothing in the agreement shall prevent any other country, organization, or individuals from entering into separate Cooperative Service Agreements with APHIS for the purpose of inspecting, certifying, and releasing produce for shipment into the US.

Article 8 - Congressional Restriction

Under 41 USC 22, no member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or any benefit that may arise therefrom, unless it be made with corporation for its general benefit.

Article 9 - Agreement Maintenance

Amendment/Termination Clause - stating that the Cooperative Service Agreement may be amended at any time by mutual agreement of the parties in writing. Also, that the Agreement may be terminated at any time by mutual agreement of the parties in wiring, or by one party provided that party notifies the other in writing at least 60 day prior to effecting such action.

International Law - for international cooperative service agreements only (if APHIS desires the cooperative service agreement to be non-binding under international law).

Sample CSA Preclearance Agreement

Agreement No. [NUMBER-TF]

Acct. Code X83-8112-XXX

COOPERATIVE SERVICE AGREEMENT
BETWEEN THE
[COOPERATOR NAME]
AND THE
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

THIS AGREEMENT is made and entered into by and between [COOPERATOR NAME], hereinafter referred to as the Cooperator, and the United States Department of Agriculture, Animal and Plant Health Inspection Service, hereinafter referred to as APHIS.

THIS AGREEMENT terminates all previous editions, including amendments thereto, for this program.

ARTICLE 1 - PURPOSE

APHIS requires that certain agricultural produce imported from [COUNTRY], be inspected and/or treated by an APHIS Officer to ensure the risk of introducing pests into the United States is eliminated; and

The purpose of this Agreement is to facilitate inspection of produce offered for import at embarkation points outside the United States as requested by the Cooperator. This inspection and/or treatment of the produce outside the United States will aid in keeping undesirable pests and diseases from entering the United States, thus giving added protection to the agricultural areas of the United States; and

It is the intention of the parties hereto that such cooperation shall be for the mutual benefit and the benefit of the people of the United States and [COUNTRY].

NOW, THEREFORE, for and in consideration of the promises and mutual covenants herein contained the parties hereto do mutually agree with each other as follows:

ARTICLE 2 - AUTHORITIES

APHIS is authorized by the Plant Protection Act, Sec. 431(a), Public Law 106-224, to cooperate with other Federal agencies, the governments of foreign countries, international organizations, states and their political subdivisions, farmer's associations and similar organizations, and other persons to detect, eradicate, suppress, control, and prevent or retard the spread of plant pests and diseases.

Persons authorized to travel under this Agreement must travel in accordance with Federal Travel Regulations, Agriculture Travel Regulations, and Marketing and Regulatory Program Travel Supplements.

APHIS is required to adhere to the definition of full cost recovery given in OMB Circular A-25. Full cost includes all direct and indirect costs to any part of the Federal Government for providing a good, resource, or service.

Section 2509(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136(a), referred to as the FACT Act, authorizes APHIS to collect user fees for agricultural quarantine and inspection (AQI) services. The FACT Act was amended by section 504 of the Federal Agricultural Improvement and Reform Act of 1996 (Public Law 104-127) on April 4, 1996. The AQI services can be provided upon arrival at a port in the customs territory of the United States or preclearance or preinspection at a site outside the customs territory of the United States.

ARTICLE 3 – MUTUAL RESPONSIBILITIES

<u>The Cooperator and APHIS mutually agree that</u>:

Commodity-specific work plans will be developed and signed by APHIS and the Cooperator or its representative and updated <u>annually</u>.

Annual financial plans are to be developed by APHIS and approved by the Cooperator. Financial plans are to be submitted and approved by APHIS, Plant Protection and Quarantine no later than 90 days before the inspection program begins.

ARTICLE 4 – COOPERATOR RESPONSIBILITIES

<u>The Cooperator agrees to/that</u>:

a. Designate in writing, to APHIS, an authorized representative who shall be responsible for administering the activities conducted under this Agreement.

b. Pay in advance, the full cost to the U.S. Government for providing this service.

c. Upon execution of this Agreement, an advance deposit must be received via electronic funds transfer (EFT) for the [amount agreed in the negotiated annual financial plan] with USDA, to be expended in accordance with USDA regulations. A waiver allowing the Cooperator to submit payment by check must be obtained by contacting USDA, APHIS, FMD, Accounting Team, Butler Square, 5th Floor, 100 North Sixth Street, Minneapolis, Minnesota 55403 or by telephone at (612) 336-3247. Instructions for depositing funds via EFT or by mail if waiver is granted can be found in Attachment 1. Funds will be used to cover salary (including overtime), benefits, travel, subsistence, International Cooperative Administrative Support Services (ICASS) and severance (if applicable), overhead, and all other incidental expenses for APHIS Officers needed to perform the work herein described. The advance deposit will be based on length of program and payment schedule set forth in the negotiated financial plan. Should costs be higher than originally anticipated in this Agreement, APHIS reserves the right to increase the required advance payment(s) to cover additional program costs.

d. Obtain from the Government of [COUNTRY] any necessary permits or licenses required for the APHIS Officers to have free access to locations necessary for the performance of the planned work.

e. Furnish facilities in [COUNTRY] for APHIS officers to inspect and/or treat produce offered for the import into the United States.

f. If any pests of economic significance to the United States are found, the infested shipments will not be certified for shipment to United States markets.

ARTICLE 5 - APHIS RESPONSIBILITIES

APHIS agrees to/that:

a. Designate Officer in Charge (or responsible person) in writing, to the Cooperator, as its authorized representative who shall be responsible for administering the activities conducted under this Agreement.

b. Delegate authority to the APHIS Regional Director with oversight responsibilities for this program to sign annual work plans and financial plans.

c. At the time or times agreed upon by the parties insofar as availability of personnel will permit, furnish as requested by the Cooperator necessary inspection personnel to:

1) review and certify their inspection and treatment facilities,

2) provide supervision of the treatments,

3) inspect and release the commodity for shipment to the United States when it meets plant quarantine requirements, and

4) vessel certification for in transit cold treatment, if applicable.

d. Make an accounting of the monies deposited by the Cooperator quarterly with a final accounting upon termination or expiration of the Agreement. Any balance remaining unobligated at the conclusion of any fiscal year may be utilized during the ensuing fiscal year if a continuation of the inspection services is required. Any unobligated balance remaining upon termination or expiration of this Agreement shall be returned to the Cooperator after a final accounting is made by APHIS.

ARTICLE 6 – CONTINGENCY STATEMENT

Provision of services covered by the Agreement is contingent upon the receipt by APHIS of a deposit from the Cooperator, in advance, in an amount sufficient to cover services to be rendered and upon the availability of APHIS personnel to conduct services. APHIS reserves the right to terminate this Agreement if advanced payments are not received as required or if funding is not adequate to cover expenses. Any additional costs incurred by APHIS in the termination phase and any additional cost to APHIS to reopen the program must be fully paid in advance by the Cooperator prior to resumption of inspection services.

In addition, APHIS reserves the right to terminate this Agreement if the program fails to provide appropriate phytosanitary protection.

ARTICLE 7 – AGREEMENTS WITH OTHER ENTITIES

That nothing in the Agreement shall prevent any other country, organization, or individuals from entering into separate Cooperative Service Agreements with APHIS for the purpose of inspecting, certifying, and releasing commodities for shipment into the United States.

ARTICLE 8 – CONGRESSIONAL RESTRICTION

Under 41 USC 22, no member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise there from, unless it be made with corporation for its general benefit.

ARTICLE 9 – AGREEMENT MAINTENANCE

This Agreement shall become effective upon date of final signature and shall continue for 5 years. This Agreement may be amended at any time by mutual agreement of the parties in writing and may be terminated by either party upon 30 days written notice to the other party. In the event the Cooperator does not for any reason deposit necessary funds, APHIS is relieved of the obligation to continue any operation under this Trust Fund. This Agreement shall not create any binding obligations under international law.

[COOPERATOR NAME AND ADDRESS]

____________________________________ _________
Name Date

____
Address

____
Address

____
Phone

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

____________________________________ _________
Date

Work Plan

The work plan or project proposal outlines the activities, in detail, to be performed by APHIS or the cooperator and should follow the model work plan located in Appendix 3 (USDA Commodity Preclearance Program Management Guidelines-Model Preclearance Work Plan).

Financial Plan/Budget Estimate

The financial plan/budget estimate translates the activities of the work plan into financial resource requirements such as dollars, people and equipment. (Two samples follow on pages 5-11 and 5-13). It can be prepared by either the FMD-ASC or FSN or administrative person located in the perspective country. It should be approved by PPQ-RMS.

The budget estimate should include the following information:

- Number of inspectors
- Dates
- Supplies
- Equipment
- Associated administrative expenses
- Cooperator Name
- Cooperator Address (complete address - no Post Office Box)
- Telephone Number
- Fax Number

Other items to be considered and/or included in the financial plan/budget estimate are (when applicable):

- Salaries/Benefits
- Travel
- Length of program
- Number of inspectors
- Transportation of things
- Rent
- Communication
- Utilities
- Printing
- ICASS charges
- Local guard charges
- Supplies
- Equipment
- Relocation charges (for incoming officers in charge)
- FSN severance pay
- Training expenses (specifically related to trust fund activities)
- APHIS overhead (16.15%) of the net amount
- Administrative technical review
- Other charges the may apply

SAMPLE FINANCIAL PLAN LETTER TO COOPERATOR

(To be used for Preclearance Programs continuing less than 6 months)

This document establishes operating procedures for the financial management of the trust fund account. Any Cooperator exporting to the United States requiring preclearance services from the Animal and Plant Health Inspection Service (APHIS) will be required to reimburse the United States Department of Agriculture (USDA) for 100% of the cost for operating said preclearance program to the United States. In addition, individuals or organizations entering into trust fund cooperative service agreements must provide funds in advance of receiving inspection services.

Under this financial plan, the following requirements will be met:

1. This financial plan is in accordance with *Cooperative Service Agreement Number*. Upon signature of this financial plan, the *Cooperator's Name* will be required to deposit the entire cost of the projected preclearance program's operating costs for *fiscal year*.

2. The projected costs for the operation of the preclearance program are subject to re-evaluation at any time during the season. In the event of the need for a major readjustment to the projected budget, the Cooperator will receive, in writing, a revised project budget at least thirty (30) days in advance of the projected change.

3. Attached is the projected budget for *fiscal year*. The Cooperator will submit to USDA the amount of $ *total projected budget*, in U. S. Dollars, drawn on a U. S. Bank, by certified or cashier's check, money order or monetary wire transfer. The payment can be made as follows:

All payments must be payable to USDA, APHIS and include:

1. Cooperators Name as shown on the agreement
2. Entity remitting funds if different than cooperator
3. Trust fund number

Send a Check (normal mailing information):
USDA, APHIS
PO Box 979043
St. Louis, Missouri.63197-9000

Send a CheckCheck (overnight mail):
US Bank
Attn: Government Lockbox - PO Box 979043
1005 Convention Plaza
St. Louis, Missouri 63101

Phone Number: 314-418-1045

Send an Electronic Payment (ACH/Wire Transfer):

Provide your bank with the following information:

Bank Name:	US Bank 60 Livingston Avenue St. Paul, MN 55107 USA
ABA Number:	081000210
Name on Account:	USDA, APHIS
Account Number:	1001104072
SWIFT Number:	USBKUS44IMT
Lockbox Number:	979043

To ensure quick and proper posting of your payment, please let us know that a payment was sent. This information can be sent either by fax, (612) 370-2083, or e-mail, ABShelpline@aphis.usda.gov. The information provided should include the cooperators name, trust fund number, a contact name and telephone number/email address in case there are questions.

4. A written request from the *Cooperator's Name* may be submitted to the Agreements Services Center, Riverdale, Maryland for a refund of any surplus program funds. The refund will only be made after all obligations have cleared the accounting system and a final reconciliation of the account has been completed.

5. No partial or late payments will be accepted. Noncompliance will result in suspension of the preclearance activities.

Concur____________________Date

USDA-APHIS
Representative

Concur________________Date

Cooperator

SAMPLE FINANCIAL PLAN LETTER TO COOPERATOR

(To be used for Preclearance Programs continuing longer than 6 months)

This document establishes operating procedures for the financial management of the trust fund account. Any Cooperator exporting to the United States requiring preclearance services from the Animal and Plant Health Inspection Service (APHIS) will be required to reimburse the United States Department of Agriculture (USDA) for 100% of the cost for operating said preclearance program to the United States. In addition, <u>individuals or organizations entering into trust fund cooperative service agreements must provide funds in advance of receiving inspection services</u>.

Under this financial plan, the following requirements will be met:

1. This financial plan is in accordance with <u>*Cooperative Service Agreement Number*</u>. Upon signature of this financial plan, the <u>*Cooperator's Name*</u> will be required to deposit 25% of the projected preclearance program's operating costs for <u>*fiscal year*</u>.

2. The balance of the association's financial obligations for <u>*fiscal year*</u> will be paid according to the mutually agreed upon payment schedule. The projected costs for the operation of the preclearance program are subject to reevaluation at any time. In the event of the need for a major readjustment to the project budget, the Cooperator will receive, in writing, a revised projected budget at least thirty (30) days in advance of the projected change. A revised payment schedule will be annexed accordingly.

3. Attached is the projected budget for <u>*fiscal year*</u>. The Cooperator will submit to USDA, four (4) payments according to the payment schedule, in U. S. Dollars, drawn on a U. S. Bank, by certified or cashier's check, money order or monetary wire transfer. The payments can be made as follows:

All payments must be payable to USDA, APHIS and include:

1. Cooperators Name as shown on the agreement
2. Entity remitting funds if different than cooperator
3. Trust fund number

<u>Send a Check (normal mailing information):</u>
USDA, APHIS
PO Box 979043
St. Louis, Missouri.63197-9000

<u>Send a CheckCheck (overnight mail):</u>
US Bank
Attn: Government Lockbox - PO Box 979043
1005 Convention Plaza
St. Louis, Missouri 63101

Phone Number: 314-418-1045

Send an Electronic Payment (ACH/Wire Transfer):

Provide your bank with the following information:

Bank Name:	US Bank 60 Livingston Avenue St. Paul, MN 55107 USA
ABA Number:	081000210
Name on Account:	USDA, APHIS
Account Number:	1001104072
SWIFT Number:	USBKUS44IMT
Lockbox Number:	979043

To ensure quick and proper posting of your payment, please let us know that a payment was sent. This information can be sent either by fax, (612) 370-2083, or e-mail, ABShelpline@aphis.usda.gov. The information provided should include the cooperators name, trust fund number, a contact name and telephone number/email address in case there are questions.

4. A written request from the *Cooperator's Name* may be submitted to the Agreements Services Center, Riverdale, Maryland for a refund of any surplus program funds. The refund will only be made after all obligations have cleared the accounting system and a final reconciliation of the account has been completed.

Payment Schedule, in US Dollars for *fiscal year* is as follows:

Total Pre clearance Budget:	*(Sample)* $100,000
Upon signing:	$ 25,000
January 1, 2003	$ 25,000
April 1, 2003	$ 25,000
July 1, 2003	$ 25,000

5. No partial or late payments will be accepted. Noncompliance with the payment schedule dates or amounts will result in suspension of preclearance activities.

Concur________________ Date______ Concur______________ Date_______

USDA-APHIS Representative Cooperator

DEPOSIT INSTRUCTIONS FOR INITIATING A NEW TRUST FUND AGREEMENT.

(Subsequent payments may be made directly to the automated clearing house.)

All payments must be payable to USDA, APHIS and include:

1. Cooperators Name as shown on the agreement
2. Entity remitting funds if different than cooperator
3. Trust fund number

<u>Check normal mailing information:</u>
USDA, APHIS
PO Box 979043
St. Louis, Missouri.63197-9000

<u>Check overnight mail:</u>
US Bank
Attn: Government Lockbox - PO Box 979043
1005 Convention Plaza
St. Louis, Missouri 63101

Phone Number: 314-418-1045

<u>Send an Electronic Payment (ACH/Wire Transfer):</u>

It is very important that you include all information on your wire as shown below so that the proper account can be credited.

Provide your bank with the following information:

Bank Name:	US Bank 60 Livingston Avenue St. Paul, MN 55107 USA
ABA Number:	081000210
Name on Account:	USDA, APHIS
Account Number:	1001104072
SWIFT Number:	USBKUS44IMT
Lockbox Number:	979043

To ensure quick and proper posting of your payment, please let us know that a payment was sent. This information can be sent either by fax, (612) 370-2083, or e-mail, ABShelpline@aphis.usda.gov. The information provided should include the cooperators name, trust fund number, a contact name and telephone number/email address in case there are questions.

CONTACTS:

It is very important to advise your FMD-ASC contacts that this wire transfer has been made. Your initial ASC Trust Fund contacts in Riverdale are:

Ms. Carol Coldren
(Carol.L.Coldren@aphis.usda.gov)
Phone (301) 734-8109
Fax (301) 734-8064

Ms. Victoria Irving
(Victoria.L.Irving@aphis.usda.gov)
Phone (301) 734-8060
Fax (301) 734-8064

Chapter 6
Reconciliation

Local Ledger
APHIS software has been developed by Octavio Torres and Alejandro Hernandez for use by the Trust Fund/International Services financial community. This software, called Local Ledger, generates the required documents for all FSN administrative trust fund personnel: reconciliation, status of funds, and cooperator's statement. Use of Local Ledger software is **mandatory**, and it will provide uniformity and standardized operating procedures for the trust fund community.

The TFM should maintain the local ledger by added all expenditures which have been occurred by the program at the time when they are committed. They should **not** wait to put expenditures into the account when they occur in FFIS. If the exact amount is not known, an estimate should be entered and noted as estimate. When the exact amount comes through BRIO, the estimate can then be changed to final at the reconciled amount in FFIS.

When estimating salaries for budget and the local ledger, the FSN must determine the hourly rate of the inspector (see Appendix 3 or the OPM website). The FSN should ascertain both the step and grade of each inspector assigned, as well as whether or not they are signed with the FERS or CSRS retirement system. To the hourly rate determined from the table in Appendix 3, add benefits at 31% for FERS or 13% for CSRS. For Mexican and any other inspector, the hourly rate should be requested when the assignment to the program occurs along with any benefit costs. Estimating salaries and benefits will ensure that the cooperator is billed in a timely fashion if for some reason the payroll does not get charged immediately to your account. Adjustments to the estimated payroll costs will be made when reconciliation occurs.

Monthly Reporting Requirements
A reconciled Detailed Transaction Report, Payroll Report, and Revenue Reimbursement Detail Report with a list of outstanding items generated by Local Ledger, as well as a list of items the TFM believes to be in error, must be presented on a monthly basis to PPQ-RMS. This report should be submitted by the 10th day of each month.

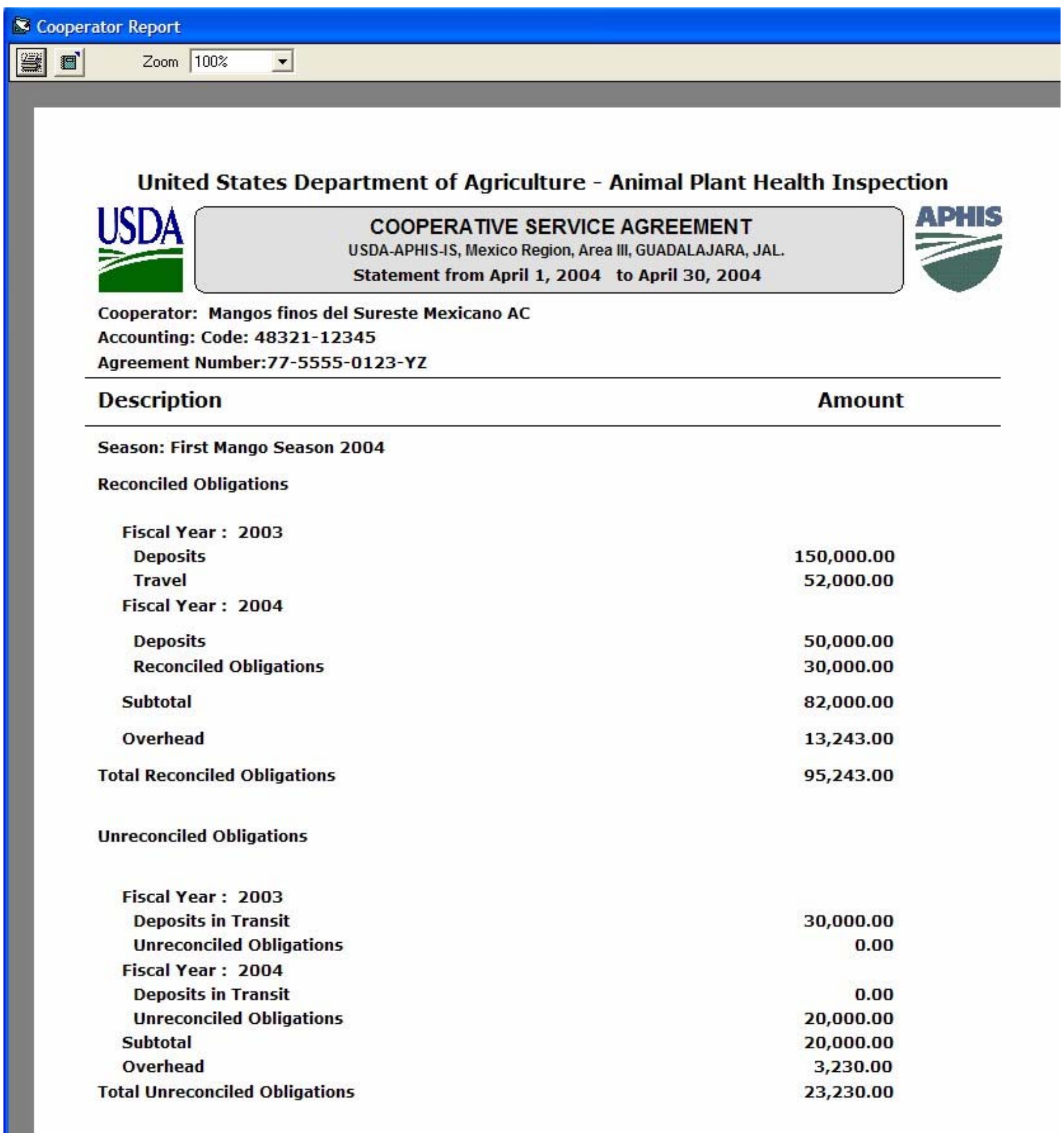
For technical budget assistance, please see the Point of Contact List for PPQ-RMS located in Appendix 2 of this guide. This list will be periodically updated and resent to the field.

Cooperator Statements
The policy of USDA APHIS is to provide statements to the Cooperators on at least a quarterly basis. However, it is preferable for statements to be prepared monthly during the operating season.

The required APHIS software for Cooperative Service Agreement reconciliation, the Local Ledger, allows the user to generate a statement, which is the one to be sent to the Cooperator. APHIS does not provide the Minneapolis Statement to the Cooperator.

The statement should be issued after the account has been reconciled with the FFIS/BRIO reports and Minneapolis Statements. It should include adjustments of the actual expenses that have not yet arrived at Minneapolis due to delays from the embassies to the State Department.

To protect the privacy of employees, Detailed Transaction Reports, Payroll Reports, and Revenue Reimbursement Reports, must **NEVER** be given to the cooperators. These reports include sensitive information, such as Social Security Numbers, that should be safeguarded.



Cooperator Report

Zoom 100%

United States Department of Agriculture - Animal Plant Health Inspection

USDA

COOPERATIVE SERVICE AGREEMENT

USDA-APHIS-IS, Mexico Region, Area III, GUADALAJARA, JAL.

Statement from April 1, 2004 to April 30, 2004

APHIS

Cooperator: Mangos finos del Sureste Mexicano AC

Accounting: Code: 48321-12345

Agreement Number:77-5555-0123-YZ

Description	Amount
Season: First Mango Season 2004	
Reconciled Obligations	
Fiscal Year : 2003	
Deposits	150,000.00
Travel	52,000.00
Fiscal Year : 2004	
Deposits	50,000.00
Reconciled Obligations	30,000.00
Subtotal	82,000.00
Overhead	13,243.00
Total Reconciled Obligations	95,243.00
Unreconciled Obligations	
Fiscal Year : 2003	
Deposits in Transit	30,000.00
Unreconciled Obligations	0.00
Fiscal Year : 2004	
Deposits in Transit	0.00
Unreconciled Obligations	20,000.00
Subtotal	20,000.00
Overhead	3,230.00
Total Unreconciled Obligations	23,230.00

Standardization Codes

To assist in consistency throughout the trust fund community, standardized budget object codes have been developed for use in the reconciliation of Local Ledger. Please reference the adjoined list for the codes to be used. This will assist in standard reconciliation through the local embassy-State Department-Minneapolis chain of events. Please submit to PPQ-RMS any charges that do not fit into a given category. They will update and distribute a new list.

TRUST FUNDS STANDARD OBJECT CODES

OBJECT CODES	WHAT TO INCLUDE
1103	Compensation paid to **L**ocally **E**ngaged **S**taff (LES); FSNs, PSCs, PSAs and AFSs. Expenses under this code include **all compensations** included in the pay package; base pay, food and bonus social allowances, Christmas Bonus or any other bonuses.
1171	LES Overtime
1219	Contributions paid by the Government, as employer, to autonomous institutes, towards; social security, health and severance funds schemes, whether they are held by private. or governmental bodies
2112	Airfares outside the US or when the travel starts or ends outside the US.
2121	Domestic Mileage Allowance, within the US
2125	Foreign Mileage Allowance,
2132	Foreign Perdiem Allowance, includes lodging and subsistence
2161	Car rental
2240	Postage fees paid to commercial carriers (e.g. Federal Express)
2310	Utilities,
2320	Communications or Telephone charges
2340	Building Rental, Residential
2343	Building Rental, Office
2410	Printing and Binding
2420	Reproduction and duplicating
2523	Training, tuition, fees, etc
2531	Repair and Maintenance of motor vehicles
2535	Repair and Maintenance of office equipment
2575	Other non-travel expenses reimbursed on the travel voucher, we will include third country visa and life and medical travel insurance.
2614	Gasoline
2660	Subscriptions
2670	Supplies and materials in General

Payment

VOUCHER AUDITOR'S DETAIL REPORT (VADR):

The VADR report is generated by the State Department. It includes FSN payroll amounts, general voucher information and voucher amounts. Please contact Laura Schultz in Minneapolis at (612) 336-3245 or Julie Tripp at (612) 336-3246 for any of the following VADR inquiries:

- Questions regarding missing expenses or missing deposits
- General VADR questions
- Questions regarding missing FSN payroll or FSN payroll going to the wrong accounting code.

ePRES FOREIGN CURRENCY PAYMENTS:

The ePRES payment program allows payments in foreign currency without paying ICASS charges. In most countries, payments can be made via draft or wire transfer. Drafts take about one week to process and wire transfers take about four days. Points of Contact for this money saving program are:

- Michelle Schmid (612) 336-3244
- Laura Schultz (612) 336-3240
- Julie Tripp (612) 336-3246
- Vikki Soukup (612) 336-3247

CHECK INFORMATION:

USDA, APHIS
PO Box 979043
St. Louis, Missouri.63197-9000
Please reference your trust fund number.

To Send Payment Overnight:

US Bank
Attn: Government Lockbox - PO Box 979043
1005 Convention Plaza
St. Louis, Missouri 63101

Phone Number: 314-418-1045

To Send an Electronic Payment (ACH/Wire Transfer):

Provide your bank with the following information:

Bank Name: US Bank
60 Livingston Avenue
St. Paul, MN 55107
USA

ABA Number: 081000210
Name on Account: USDA, APHIS
Account Number: 1001104072
SWIFT Number: USBKUS44IMT
Lockbox Number: 979043

It is very important that you include as much of the following information as possible with the payment:

Cooperators Name as shown on this agreement
Entity remitting funds if different than cooperator
Reference your trust fund number (provided above)

Note: Any fees associated with the transfer are the responsibility of the remitter.

To ensure quick and proper posting of your payment, please let us know that a payment was sent. This information can be sent either by fax, (612) 370-2083, or e-mail, ABShelpline@aphis.usda.gov. The information provided should include the cooperators /vendor's name, trust fund number where the funds should be posted, a contact name and telephone number in case there are questions.

DTR Field Descriptions

Adjoined, please find all definitions for the DTR field Descriptions.

Program	BOC	TC	Doc ID	SYS	Reference Info	Vendor Code	Vendor Name	Unliquidated Obligations	Expended Amounts
838112311	2112	G2	6317110*008	URMA	00106317011000486*09/17/01	510313900A	Bank of America	0.00	2659.75

Field Descriptions

- **Program** – A nine digit number used to identify the APHIS organizational entity to which funds are charged or to be credited. This code is composed of the appropriation code, organizational entity, and program or project (for a more detailed breakdown of accounting/program codes please refer to supplemental handout).

- **BOC** - The budget object codes are four digit numeric codes established by the National Finance Center (NFC) to uniformly record categories of obligations and revenues (complete listing can be downloaded from the NFC website).

- **TC (Transaction Code)** – This is a two digit code (can be alpha/or alphanumeric) which "defines" the type of transaction. For example, B2 - accounting adjustment, ND - can be a transaction of the Voucher Audit Detail Report (VADR), or ePRES Foreign Currency, DD - wire transfer record, NO - payment with no prior obligation, MO - miscellaneous obligation document, etc.

- **<u>DOC ID (Document ID)</u>** – This is a unique alphanumeric code assigned to each document in FFIS – specific to the document type.

- **<u>SYS (System)</u>** – This field represents the system user or feeder system associated with the document. For example, some feeder system ID's would be: PRCH (purchase order system), TRVL (travel system), PCMS (purchase card system), etc. Individual ID codes are similar to this configuration: URMA – Roy Mattson, (U represents "user", R represents the first initial of the person's first name {in this example Roy}, and MA represents the first and second initials of the person's last name {in this example Mattson}). On occasion you will see an individual's initials assigned to a document that originated in a feeder system. In this instance someone probably corrected an error in the document.

- **<u>Reference Info</u>** – This is informational data designed to assist APHIS in recognizing the expenditure/collection and ensure it's appropriateness in the account. This field is only 30 characters long.

- **<u>Vendor Code</u>** – The vendor code is an alphanumeric code that represents detailed vendor information stored in FFIS.

- **<u>Vendor Name</u>** – This field is the full name of the vendor as recorded in FFIS.

- **<u>Unliquidated Obligations</u>** – Financial amount which decreases overall account availability that will be expended in the future.

- **<u>Expended amount</u>** – Financial amount which represents the actual expenditure.

<u>B2's</u>
The Foundation Finance Information System (FFIS) has many edits to maintain the accuracy of the data. They appear as error messages and may allow or stop processing. Two of these errors, **SC20O-**Insufficient Appropriation Funds and **SC03O-**Insufficient Apportionment Funds, occur for several reasons.

A) **Appropriation**: When Congress appropriates our budget each year; we enter the budget authority (available amount to obligate) into FFIS to the fund level of detail.

B) **Apportionment**: Technically, after Congress appropriates the budget authority, we still have to have OMB apportion the funds to us before we can begin obligating them. Apportionments can be quarterly or annually for APHIS they are annual. Since OMB apportions to APHIS on an annual basis, we usually appropriate and apportion our funding at the same time in FFIS.

C) **Insufficient** Appropriation or Apportionment: Each obligation entered into FFIS, validates there is budget authority to cover the expense. If BEST has not appropriated or apportioned the full amount and the program is correct in spending it, BEST will process the documents to update the APHIS budget authority. If FFIS is correct than the program(s) are overspending their availability which is against the Anti-Deficiency law. We use FFIS to prevent this from happening.

D) **Expired -vs- cancelled years**: Our budget authority allows us to obligate funds for a Fiscal year and it expires midnight September 30th every year. After this date we can enter upward and downward spending adjustments for 5 year until the year is cancelled. Once it is cancelled, no more activity can be processed for that year. If a valid expenditure is discovered, it would have to be paid from the current years funding availability.

There are a few situations that contribute to getting these errors. They are:

1) In **<u>No year funds</u>** (06, 0,11, 12, 15, 16, 17, 18, 25,41,60,72,73,75,76,77,78,79,83,85) the unobligated balance at the end of the Fiscal Year, September 30th or when BEST closes accounting period 12, is subtracted from that year and added to the following year as budget authority. For example the unobligated balance from each no year fund as of September 30th in FY 2002 was subtracted from their budget authority (availability) for FY 2002 and added to their availability for FY 2003, and so on. Then BEST creates new obligations for these funds out of FY 2003. This means there is no budget authority left in the prior years after annual close unless it is reserved by a reversing YE.

Appropriation law says that no one can create a new obligation for an expired year. Even though these funds are “no year”, they have to keep their fiscal year integrity. So FFIS will make you override any new obligations entered for FY 2002 and older with the message **SC23O-**Oblg Against Expired Account. Minneapolis must override this because you have the paperwork to support the determination that this is a valid expense for an expired year that was not 'booked' or recorded in the accounting system before it expired. Otherwise, you must charge it to the current year. During the first quarter of a following year, this message is switched to a warning and would be able to be processed by anyone entering data.

FMD then resolves its two “overrideable” messages by reviewing the amount of the expenditure and determines if there is enough carryover in the following year to cover the expense. If there is enough carryover, FMD will manually move the funding back to the prior year.

2) In reimbursable funds (57, 58, 59, 17, 18, 41, 75, 83) the appropriation and apportionment are determined by FFIS to be the amount of an estimate BEST gets from the programs and allocates against. Toward the end of the year, the estimate gets low. When the errors begin occurring, FMD reviews what we have actually collected and what we have billed. We will override the estimate or adjust it up to the amount of actual collections and billings that we can see in FFIS. Once a program tries to spend more than that, we work directly with the programs to get them to enter more billings, move erroneous expenditures, or enter a new estimate. Until they take one of these steps, documents will remain rejected on SUSF.

3) Annual funds (52, 57, 58, and 59) expire when accounting period 12 closes as of September 30th. The unobligated balance does not carryover and is returned to Treasury when it is cancelled 5 years later. The discussion regarding new obligations, actual collections and billings also apply to these funds.

4) If FMD determines that these errors are valid and a program is attempting to overspend the Agency budget authority, BEST will work with the program to rectify the situation. The documents will remain rejected on SUSF until it is resolved.

Error messages can be annoying but they are immensely useful in preventing us from breaking the law (and your ID or one of ours would be on the document!) and inallowing us to maximize spending of our available annual funds.

If you have concerns and/or questions about the above, please e-mail them to:
MRPBS FMD-BEST@aphis.usda.gov

Guidance for Preparing B2 Accounting Adjustments in FFIS

Most transactions are recorded in the accounting system by preparing documents that are entered into a National Finance Center (NFC) feeder system (i.e., payroll, travel, purchase orders, etc.) or with documents that are sent to Minneapolis for direct entry into Foundation Financial Information System (FFIS) (i.e., contracts, agreements, indemnity payments, etc.). When accounting data has been entered incorrectly and it is determined an accounting adjustment must be made, the first choice is to modify the original document. When that is not possible, the mechanism for making these adjustments may be a FFIS “B2” document. This letter provides guidance to offices for determining if a B2 document is the proper mechanism for making an accounting adjustment and provides instructions for preparing the adjustment documentation.

I. Background:

The USDA, FFIS Project Office was very hesitant to allow miscellaneous accounting adjustments in the FFIS. The accounting adjustments provide no audit trail to the general ledger and are often inappropriate. If used incorrectly, they will create abnormal balances in our ledger and on our Consolidated Financial Statements and Treasury reports.

The B2 transaction code was created for APHIS based on our process for offsetting agency overhead. It can also be used to correct accounting entries when the program code or budget object code (BOC) needs to be changed. It is a clone of the FFIS Standard Voucher document.

APHIS is committed to a stringent review of this authority, monitoring it for misuse, and revoking access to enter documents by users when appropriate. The Financial Management Division (FMD) will internally review a representative sample of the B2’s processed each year. Each program is encouraged to self-audit the adjustments processed by their staff. The Office of the Inspector General (OIG) is very likely to select random samples of B2 documents to audit each year, as part of their audit of the USDA Consolidated Financial Statements.

The B2 adjustment would only be performed in situations where an incorrect program code or budget object code (BOC) was used on a document. An "incorrect" program code or BOC means it is a valid code in FFIS but not the proper code for a specific transaction. An "invalid" program code is not established in FFIS. You would not prepare an accounting adjustment for an invalid program code. In this case, you need to contact the FFIS Functional Administrator in FMD, Riverdale, MD.

II. Is a B2 the correct document to be used to make the adjustment?
Below are some items to consider before deciding to make an adjustment.

1a) **Feeder Correction**. Can the original document be corrected in the original feeder system? **If the answer is yes**, amend the original document in its feeder. There are 5 feeder systems that allow for corrections to be made through them into FFIS:
PCMS. If the transaction is PCMS-related it ***must*** be corrected in PCMS. The PCMS is a feeder that back feeds from FFIS and both balances must match. Note: a transaction in PCMS can be "reconciled" or changed many times.

Starweb. If an "invalid" program code was used on a T&A, the document will be paid but put in a forced release status. Do not do a B2 transaction or a corrected T&A in this case. You need to contact the FMD, Accounting Team in Minneapolis and provide them with a correct program code to resolve this situation. If an "incorrect" program code was used on a T&A, please process a corrected T&A. If the incorrect program code was used on many T&As, the program budget analyst must decide the best correction method. Note: If it is determined a B2 is the best correction method, the HOURS need to be entered in the "Quant:" field in FFIS. The hours must be moved as well as the obligations to keep reports such as the Status Of Funds Extract accurate.

PRCH. The purchasing feeder is designed to track modifications to original procurement documents. A modification to the original purchase order is your preferred method for correcting accounting and BOC information. If you determine, it is necessary to correct a purchasing document directly in FFIS, the entire purchase order must be closed before processing the adjustment. Closed means that all goods were received, the vendor was paid, and any remaining obligations on the purchase order were cancelled.

TRVL. The Travel system only obligates relocations and therefore, allows for adjustments of the AD-202 for relocations only. These must be corrected in the travel system if the traveler is still in the process of relocating and vouchering for expenses. If the relocation is complete and fully paid it can not be modified in travel and you will have to adjust it in FFIS. If a voucher for temporary duty has processed and paid in travel, it must be adjusted in FFIS.

PROP. The backfeed from FFIS to the Property system does not recognize B2 documents; therefore, if you process a B2 with a Budget Object Code (BOC) of 31**, where the astericks equal any two digit combination except 3140 and 3152 you will create an out-of-balance condition between PROP and the General Ledger. These two BOC's; 3140 non-accountable property (under $5,000 acquisition cost) and 3152 non-accountable software (under $5,000 acquisition cost) do not impact the Property system. If you need to change a BOC or accounting code on a FFIS entry that does NOT have BOC 3140 or 3152, you must contact the Minneapolis Property team via e-mail at MRPBS ASD – Property. They will data enter your correction and the PROP system will backfeed the information to FFIS. You will see the corrected entry on your financial reports with a DV trans code. Note: entries made prior to this notice will be reversed and corrected by MRPBS FMD sometime in FY 2002, you will be notified in advance. **You should *never* data enter an accounting adjustment for any property BOC except 3140 and 3152 and never for a document with a trans code beginning with 'DV'.**

1b) **If the answer is NO**, the original document can not be corrected in the feeder, then consider preparing a B2 accounting adjustment. The Voyager, UTVN, TELE, FTSP, MPOL and Travel (except for relocations when amending the AD-202) feeders do not lend themselves to corrections. In addition, the stored accounting feeders like UTVN, TELE, FTSP, MPOL must have a document submitted to NFC to correct the accounting code on future documents. The intent is to keep the stored master feeder systems accurate. A list of NFC Master Files (stored accounting) feeder systems, the form needed to establish or correct the account information, and the NFC publication covering the system is attached. See attachment 1.

2) **Program Code Problems**. Is the program code (accounting code) set up correctly in FFIS? The program code may be valid in FFIS but set up incorrectly in the FFIS tables ACXT and DVAL. For example, you have a fund 73 accounting code appearing under fund 76 data, or one of your offices is aligned with the wrong regional organization code. In these situations **do not** prepare an accounting adjustment. Please contact the FFIS Functional Administrator in FMD, Riverdale, MD for assistance in resolving these matters. If we do not fix the underlying problems with accounting codes, errors in processing transactions will continue to occur.

3) **DVSN, FUND, or Prior Year/Budget Fiscal Year (BFY)**. Does the adjustment affect more than one DVSN (8 = PPQ, 9 = VS, etc.) and/or FUND (52, 57, 58, 59, 77, etc.) and/or BFY? If yes, the adjustment is probably needed. But if the DVSN and FUND are not changing, especially in a prior year, the adjustment most likely isn't needed because reports will show the activity closely related. When the DVSN and FUND are not changing, but the reporting category (project code or last three digits) is, an adjustment may be indicated. All B2 adjustments that do not change FUND and/or DVSN should be reviewed in depth prior to processing. The Analyst managing the account is responsible for making the final decision as to whether an adjustment is needed or not.

4) **Amount**. Is the amount of the adjustment material? The program analyst should determine the materiality, given the circumstances of the adjustment. Note: All Congressional reporting from APHIS rounds to the nearest thousand and sometimes

million.   However, there are valid cases where an amount considerably lower must be adjusted. For example; a single gasoline transaction was charged to IES and belongs to VS.

5) **Payment Status**. ALL adjustments will be made only on “Closed” transactions in FFIS. The person making the B2 adjustment must maintain documentation that the action is closed in their files. This can be determined by reviewing the PVHT and PVLT tables in FFIS. We recommend that you make screen prints. Do not process the adjustment until you can document a closed status.

6) **Backup Detail**. The Description field must specify information that can refer you back to the detail documents that made up your adjustment amount. In an audit, *you* may be required to produce the original documents to support this adjustment. You are the only one that has the information that produced the adjustment. ALL entries with a description such as “change or correct accounting, account adjustment, correct boc, or MISC accounting adjustment” will be reviewed/audited extensively. These are not adequate descriptions. The description must reflect specific details regarding the reason for the adjustment. For example, in the case of a reimbursement offsetting, the agreement number would be appropriate. Other examples of good descriptions are the log number for your B2s, a travel authorization number, the project name, or ‘J. Brown’s travel for GIPSA’. The description should be something that would point you back to the detailed inventory of what makes up the adjusted amount in your files. If need be, create a log. See attachment 2 for a sample log.

7) **Still Not Sure**? If you are unsure that an adjustment needs to be completed, or that the B2 document was prepared correctly, ask someone to review it. Utilize peers in your program or call Stacye Teachman in FMD, Riverdale, MD at (301) 734-8251.

III.   Who in APHIS can do these adjustments?

Only those people that have security clearance may enter these adjustments directly in FFIS.   This security access will be reviewed by each Program. An approved list of personnel authorized to make these entries is reviewed quarterly.

IV. Types of Adjustments:

A. Referencing (One-to-one) adjustments are those where a closed payment voucher can be referenced.

☒ The Vendor Id: use the exact same code cited on the original voucher. This is a two position field.

☒ The correction is to the BOC or Program code. (Can not correct BOC 31** except 3140 & 3152).

☒ The Reference Doc Id field must contain the exact Trans Code and Doc Id Number of the original payment voucher. It is a two position field.

☒ The entire amount of the Payment Voucher must be in closed status in FFIS.

☒ A specific description is needed to remind you why the adjustment was made.

B. Overhead Offsetting, adjustments are made to transfer a representative amount of obligations equal to the Agency overhead percent. We refer to these as a "mass" transfer, because individual transactions can not be identified. FMD Accounting and Payments prepares and enters the Overhead adjustments for each trust fund. This process is done monthly based on the detailed activity for each trust fund account. The field offices should not prepare B2s for trust fund activity.

☒ The Vendor Id: 34Standard

☒ The BOC for overhead offsetting is 2558.

☒ There must be documentation to show that closed transactions in the amount to be transferred were in FFIS for the FUND to be decreased. For example: your adjustment includes salary and benefits, TDY travel and a purchase order. You must confirm all the salary and travel have processed into FFIS and that the entire purchase order is closed. You should not process the adjustment until all components of it are confirmed closed.

☒ A detailed inventory of the items adding to the total of the transfer must be available on request from a reviewing/auditing source.

C. If a "Mass" Adjustment transaction for other than overhead offsetting,

☒ The Vendor Id: 34Standard

☒ The Major Object Class must be used for each subtotal amount. These entries require one decrease and one increase line for each major object code class.

☒ There must be documentation to show closed transactions in the amount to be transferred where in FFIS for the FUND to be decreased. For example: your adjustment includes salary and benefits, TDY travel and a purchase order. You must confirm all the salary and travel have processed into FFIS and that the entire purchase order is closed. You should not process the adjustment until all components of it are confirmed closed.

☒ A detailed inventory of the items adding to the total of the transfer must be available on request from an reviewing/auditing source.

V. Transaction Code/ Transaction Type to use for adjustments:

Trans Code is B2 for all adjustments referred to in this document.

1) Expenditure adjustments will use the Trans Type of TO.

2) Revenue adjustments will use the Trans Type of FI.

Note: **Revenue is only adjusted by FMD in Minneapolis when posting collections and accounts receivable.** These transactions will refer to revenue source codes for the budget object code (BOC). If you identify an entry for revenue that should be adjusted, please contact FMD, Minneapolis.

VI. Adjustments may *ONLY* be performed on CLOSED items.

1. Always in Closed Status:

The following list of items are accrued (obligated) and expended (paid) in the same transaction; if they are in FFIS, they are closed. If you know one of these successfully processed in a feeder and you can not find it in FFIS, it may be on SUSF in REJCT status. This list is not inclusive:

PACS; Payroll	UPS
TRAV - Domestic TDYs AD-616	SF-1164's
FTSP	Indemnities
TELE	Fee Basis Payments
UTVN	International Services - VADRs
Lease Payments	Utilities
Mpool	Foreign Payments
TRAN	Wire Transfers
GPO	MISC Claims; TORT, Medical, EEO, etc.

IPAC if they don't reference
All "NO" Trans Coded documents
PCMS but you can not do a B2 accounting adjustment for PCMS - ever.

2. May be in an Open or Closed Status:
The following items are accrued (obligated) in one transaction in FFIS. Then at a later date, another transaction processes that references and liquidates (pays) it. There are instances where the payment may not correctly reference the original expenditure and it will not be liquidated. Instead the payment may be processed under a different expenditure Doc Id and then liquidated. In these instances, your Unliquidated Expenditures (obligations) will be overstated. The list is not inclusive:

PRCH - Purchase Orders
Relocations in TRAV
Agreements
Contracts
Reimbursable Work Authorization (RWA)
IPAC if they reference
FEDS

VII. Prior Year Recovery information:
A recovery happens when a **prior budget fiscal year**'s spending is **decreased** in a **no year fund** and that funding or budget authority is available for APHIS to spend in the current year. Example, if you data enter a decrease to a BFY = 00 ***and*** the accounting code begins with 15, 16, 17, 18, 20, 25, 41, 72, 73, 74, 75, 76, 77, 78, 79, 83 or 85 you may want to invoke a recovery. A recovery does not happen every single time your decrease spending in a Prior Budget Fiscal Year of a No Year Fund but it should happen in a small percentage of the actions.

All B2 transactions decreasing spending in a prior/no-year fund must follow these processing procedures:

Step 1: B2s where a Prior Budget Fiscal Year on a No Year Fund has spending being decreased, you must work the document to "SCHED" status **only.**
Step 2: Then in the FFIS 'Action:' field instead of typing an R to run the document to accept status, type an 'H' to put the document in "HELD" status.

Step 3: Then email MRP-BS FMD - BEST. In the subject line of the email state "B2 on HOLD Status for Recovery Review". Include the FFIS Document ID number in your e-mail and your telephone number.
Step 4: We will review the document and create a recovery, if necessary. This will be our top priority when we see the email. We will notify you of the processed document via email.
Step 5: If you would rather not follow the new procedures, you can mail the hard copy B2 form and back up documentation to the USDA, APHIS, FMD, Budget Execution and Support Team, 4700 River Road, Mail Slot 56, Riverdale, MD 20737.

This procedure does **NOT apply** to decreases in spending in the current Budget Fiscal Year. Nor does it apply if you are decreasing spending in the annual funds 52, 57, 58, 59.

VIII. Form:
In Appendix 3 to this guide is a sample Accounting Adjustment Form. Although it is available in soft copy as an Excel Spreadsheet, you may also reproduce the attachment. Use of this form is not mandatory unless you are not doing your own adjustments. The office data entering your adjustments will probably require this form be prepared. The preparation instructions may be found in next step.

The form AD-757, Miscellaneous Payments System, is obsolete.

IX. The FFIS Adjustment - B2:
INSTRUCTIONS FOR COMPLETING THE EXPENDITURE ADJUSTMENT DOCUMENT:

Attachment Line # Enter a 3-digit number for each line from 001 to 030. **Remember: for research purposes it is recommended each document be kept to 30 lines or less**.

BFY Enter the 2-digit Budget Fiscal Year

Program Enter the 9-digit Program Code

BOC Enter the 4-digit Budget Object Code; Can not adjust BOC's 31** except 3140 and 3152.

Vendor Code Enter the Vendor Code related to the adjusting entry. If a one-to-one adjustment, use the vendor code cited on the original voucher. If for a mass transfer summarized to the major object class level of detail or for overhead offsetting use the Vendor ID **34Standard**.

Quant This field is used to record hours when transferring payroll. This field **only** accepts whole numbers, you can not put in fractions of hours. Use of the B2 to transfer payroll is used only when there is no other option available. Please check with your Headquarters staff or FMD to validate that the B2 is the proper way to correct payroll for your situation.

Reference Trans ID For one-to-one adjustments, reference the **exact** Trans Code and Doc ID Number of the original payment voucher. For mass transfer, leave blank.

Amount Enter dollars and cents in the amount column.

I/D Increase or Decrease -- To transfer amounts <u>from</u> a particular accounting code, enter a “D” in this column. To transfer amounts <u>to</u> a particular accounting code, enter an “I” in this column. The increases and decreases for each document MUST equal zero. **Note:** the decrease goes on the first line of the entry.

I = Increase spending
D=Decrease spending

Description Limit of 30 characters -- This field must specify information that can refer you back to the detail documents that made up your adjustment amount.

Closed in
PVHT/PVLT Adjustments may ONLY be performed on CLOSED items.

X. <u>Assistance:</u>
Personal Contacts - please work up through your program’s chain-of-command, usually a state or regional office or refer to the FFIS Points of Contact list provided in the Budget Analyst FFIS training course.

If you do not have any of the reference materials mentioned in this guide, please contact The FFIS Functional Administrator, Giana Jowers, FMD, Riverdale, MD at (301) 734-6619. If you are having any connection or printing problems, make a toll free call ATAC on (877) 944-8457.

Chapter 7
Travel Policy

Travel Advances
Total travel advance amounts shall be placed in the object class code XXXX when they are issued. Once the traveler has completed the trip and submits a travel voucher, the XXXX object class code should be credited for the amount of the travel voucher. Any difference should be repaid by the traveler or carried as an outstanding advance. The actual travel expense as per the travel voucher should be placed in the appropriate travel expense object class codes.

In the event travel estimates are used in the Local Ledger, they must clearly be identified as an estimate. The estimate should be placed in the travel expense object class code. Once travel is completed the estimate should be removed by crediting the total amount estimated. The travel voucher expenses for the trip should then be charged to the appropriate travel object class codes.

Laundry
Laundry charges are NOT authorized outside of the United States.

Rest Stops for Travel Outside CONUS
A rest stop of **up to 24 hours** is allowed when duty points are separated by several time zones, at least one duty point is outside CONUS, air travel is less than premium class accommodations, and the scheduled flight time exceeds 14 hours by a direct or usually traveled route. This stop may be authorized at any intermediate point that is midway in the journey. Per diem will be issued at the rate applicable for the rest stop location. Please refer to 41 Code of Federal Regulations Part 301-7.11 located in Appendix 4 of this guide.

Two Day Per Diem Rule
The “2-day per diem rule” of 53 Comp. Gen. 882 (1974) and 55 comp. Gen. 590 (1975) states that up to but not including 2 days’ per diem may be paid to enable an employee to travel during regular duty hours. It is intended to preclude delays in initiation or continuation of travel over weekends or over the 2 consecutive days that an employee is otherwise scheduled not to be on duty.

The “2-day per diem” rule limiting per diem which is outlined in 56 Comp. Gen. 847 (1977) and 55 Comp. Gen. 590 (1975) is not applicable where an employee’s travel is extended by 2 or more days. However, the extension cannot be due to personal desire to avoid working on non-workdays, but rather due to Government orders based upon an administrative determination that it would be more cost-effective to extend the employee’s travel time in lieu of requiring weekend overtime work.

Reductions in Maximum Per Diem Rates

Lodging

The maximum per diem rates for foreign counties are based on costs reported in the Hotel and Restaurant Section (Form DSP-23W) submitted by foreign posts. This report includes prices for hotel rooms and meals at facilities representative of moderately priced and **suitable hotels** and restaurants most frequently used by typical federal travelers. The lodging portion of the allowance is based on average reported costs for a single room, including any mandatory service charges and taxes. The meal portion is based on the costs of an average breakfast, lunch, and dinner at facilities typically used by employees at that location, including taxes, service charges, and customary tips. The M&IE rate is based on these meal costs plus an additional amount, equal to 10% of the combined lodging and meal costs, to cover incidental travel expenses.

The Agriculture Travel Regulation DM 2300-1, dated October 3, 1994, Section 301-7.12(b) states for extended stays, "A per diem rate of 55 percent of the locality rate should be established for extended stays. If reduced lodgings and/or meals cannot be obtained, a higher rate may be established as justified by the anticipated costs. When the per diem rate is adjusted downward, the AD-202 must show the reduced rate. Unless arrangements are made prior to the start of travel, the traveler may be allowed full per diem until long-term accommodations can be found (usually no more than 30 days). If the specific reduced rate is not known at the time the AD-202 is prepared, state that an amended AD-202 will be issued during the first 30 days of the assignment which will authorize a lower rate for the remainder of the stay." However, if no long term accommodations are available at the TDY location and the traveler must eat three meals a day in restaurants, no reduced per diem should be expected.

M&IE

If a meal (e.g., breakfast) is included in a hotel's standard nightly rate package, the traveler is not required to adjust the M&IE rate as that is already taken into consideration when State Department determines the M&IE allowance. However, if meals are not included but the traveler is given a "free" meal, or if any meal is provided by the Cooperator, he/she must adjust the M&IE rate by deducting the appropriate amount shown in the chart in "Appendix B to Chapter 301" located in Appendix 4 of this guide. The total amount of deductions made will not cause reduction of the amount allowed for incidental expenses.

M&IE rates for the localities in non-foreign areas (prescribed in Civilian Personnel Per Diem Bulletins published periodically in the Federal Register by the Secretary of Defense) and for localities in foreign areas (established by the Secretary of State in Section 925, a per diem supplement to the Standardized Regulations Government Civilians, Foreign Areas) shall be allocated as shown in this table Section 301-11.18 when making deductions from non-foreign or foreign area per diem rates.

For M&IE rates greater than $265, allocate 15%, 25% and 40% of the total to breakfast, lunch and dinner, respectively. The remainder is the incidental expense allowance.

Hotel Accommodations
The general practice for making hotel/motel reservations for employees who travel on foreign TDY is to ask an FSN which hotels they refer people to use for lodging. Normally, the Embassy recommends which hotels are safe for TDY travelers.

The Cooperator may negotiate directly with a hotel to avoid ICASS charges and APHIS overhead. However, there are too many unknowns to apply this entire situation as policy to all Cooperators. This can be an option on a case-by-case basis, after certain conditions are met for it to be a safe and viable option. These conditions are:

- it is acceptable to the officer in the post;
- it is within embassy guidelines for housing;
- the level of service cannot be significantly less nor significantly more than what is originally provided by accommodations designated by an embassy employee referral.

If for any reason one member of a group decides to change hotels to another one that is embassy approved, all members of the group must change to the same hotel. This will ensure logistical consistency regarding safety and security, transportation, and emergency contact. Any time that a hotel is seemed to be unsafe, the reasons should be reported to the local embassy.

Travel Voucher Submission
A complete copy of the travel voucher, front and back, including all supporting document receipts, must be submitted to the Trust Fund Manager responsible for reconciling the accounting code used on the voucher. If personnel on foreign TDY have been sent from the PPQ-PS, a full copy of the voucher should also be provided to this staff. The voucher copy must be submitted at least every 30 days. The PPQ-PS staff is responsible for ensuring that the voucher is correct. Any charges to the Miscellaneous Account must be identified.

Taxis
Travel between the lodging/place of business at a temporary duty station and a carrier terminal, the usual fare plus tip for use of a taxicab or shuttle services are reimbursable. Taxis and shuttles may be reimbursable if they are used to travel:

- Between places of business at an official or TDY station;
- Between a place of lodging and a place of business at a temporary duty station; and
- To obtain meals at the nearest available place where the nature and location of the work at a TDY station are such that meals cannot be obtained there. If there is a restaurant at the hotel, then taxis to and from dinner will not be reimbursed.

Telephone Calls
For all official communications the traveler should use Government provided services. When such services are not available, then commercial services may be used. The traveler's agency may authorize or approve any reimbursement.

For authorized telephone calls of a personal nature on a commercial system reimbursement must be certified on the travel voucher and made under certain guidelines. The maximum aggregated amount that may be approved for each travel period, i.e., consecutive days of official travel, cannot exceed an amount equal to $7.00 multiplied by the number of lodging nights. The aggregated amount includes access charges and charges for calls not completed. It is the approving official's responsibility to ensure that if FTS2000 calling cards or FTS2000 AT&T prepaid calling cards are used and that there is no claim for reimbursement for personal calls made on the travel voucher. Any itemized bill must accompany any requests for reimbursements for telephone calls (please refer to Section 301-9.1 of the MRPBS Travel Regulation Supplements located in Appendix 3).

It is suggested that the FSN buy phone card(s) valued at the $7.00/day rate multiplied by the number of lodging nights and distribute them to the traveler(s). All cards should be collected by the FSN at the end of the TDY. If credit remains on the card(s) at the completion of the trip the credit can be for future use.

Chapter 8
Miscellaneous Policy

Performance Management
A financial management element will be placed in both the ADODR/OIC and the TFM performance plans. Failure to adequately perform the financial management portion of these jobs will reflect in annual performance appraisals. Sample elements are located in Appendix 3 of this guide.

Relocation Expenses
When an ADODR/OIC is assigned to a trust fund activity post, the receiving organization is responsible for the relocation expenses associated with the incoming move. When the FSO leaves the post, the same organization is NOT responsible for departing relocation expenses.

International Services Vehicles Transfers
USDA APHIS does not have regulations set in place for transferring international service vehicles. Due to varying laws in each country, the transferring office must contact their local Embassy for protocol. Once an office determines the need to transfer a vehicle from one location to another location within APHIS they must fill out an AD-107, "Report of Transfer or Other Disposition or Construction of Property." A sample form is provided in Appendix 3 of this reference guide.

The completed AD-112 must be signed by both Accountable Officers involved in the transfer. Once the transfer is completed, it is the responsibility of the receiving Accountable Officer to submit the AD-112 to the Property Management office in Minneapolis.

IT IS THE RESPONSIBLITY OF EACH AREA OFFICE TO MAINTAIN AN ACCURATE VEHICLE RECORD. This record must record purchases and transfers of all vehicles.

Contacts in the ASD Property Team are:

Russell Noyes
Fleet Manager
612-336-3218

Archie Crandall
Property Management Specialist
612-336-3216

Inez DeCoteau
Property Management Specialist
612-336-3217

Training
Employees attending any trust fund specific training, including the Trust Fund Meeting, should charge all expenses to the trust fund itself. However, any career development or other administrative training should be charged to the ISDA account.

There is training available on the internet for FFIS/BRIO. Employees may access this course, as well as reference documents related to accounting and finance for APHIS called Quicktips. The link for these resoureces is

Severance Pay

Severance pay requirements are different for each country. Therefore, it is recommended that the OIC of every office check with their embassy staff or other country officials to determine the applicable requirements. If there is a requirement that severance payments be made to employees for either voluntary or non-voluntary separation, then a severance fund should be established and funded by the Cooperator.

The following are aspects of the APHIS full cost recovery policy as it pertains to trust funds. They specifically relate to Cooperator liability for severance or liquidation payments:

1. Cooperators are responsible for the liquidation liability of all FSN employees working on their programs **for the period of time they actually worked for the program and the percentage of time each year they worked for that program**. For instance, if an FSN works for APHIS for 10 years but only works on the Cooperator's program for two years, the Cooperator is liable for liquidation only for those two years (the other 8 years liquidation amount would be the liability of APHIS). Further, if during the year the FSN worked 50% of his time on APHIS appropriated programs and 50% of his time on Cooperator programs, the Cooperator would only be liable for 50% of the liquidation liability for that year.

2. For past year, past due amounts, liability must be calculated for each employee for each year. For example, if in 1992 an employee worked on three separate trust funds during the year, the percentage distributions used for his salary distributions **for that year** must be used to distribute liquidation liability amongst the Cooperators. This type of calculation must be made for each year of the employee's involvement with Cooperative Programs.

3. Once the above has been calculated in total, a bill should be immediately presented to the Cooperators. Depending on the amount owed, a payment plan can be arranged.

4. Arrangements must be made to hold the funds in trust. This can be accomplished in one of two ways: locally or through the Minneapolis Accounting and Payments Team. If done through them, payments should be sent to Minneapolis Accounting and Payments Team, c/o Elizabeth Groth, and she will set up a holding account for the funds under the Cooperators accounting code. If locally, a trust account should be established in a local bank which requires two signatures for disbursement: one the representative of the Cooperator, and the other the representative of the USDA. Whether it is a local currency or U.S. dollar account is at the discretion of the Cooperator, *but* the Cooperator must be advised that any shortfall in the fund at the time of liquidation disbursement will have to be covered by the Cooperator. By the

same token, any funds remaining in the account after all liquidation liabilities have been satisfied revert to the Cooperator.

5. Deposits for past due amounts should be effected as soon as possible with respect to (3) above. Current liquidation liability amounts should be included in each year's Work and Financial Plan. These should be manually billed at appropriate intervals during the season and deposited in the appropriate account (either locally or through Minneapolis).

The trust fund manager should review these accounts on a regular basis to ensure proper credit. If the account is in deficit, the trust fund manager should work diligently to bring this account in balance.

Cooperative Service Review Policy

APHIS conducts two types of reviews for Preclearance Programs. One is the Administrative review, which focuses on the financial management aspects and the overall administrative efficiency of the programs. The other is the Technical review, which seeks to ensure the technical integrity of the program. Both reviews are discussed as follows.

Administrative

The first type of cooperative service review is an administrative review. The purpose of this review is to:

- Ensure full recovery of all costs incurred by APHIS in compliance with OMB Circular A-25 (Appendix 3).
- Ensure adequate financial management
- Determine areas to implement program savings which do not adversely impact program delivery or AQI standards
- Ensure administrative consistency worldwide to the extent possible

For the major trust fund programs, these reviews are conducted annually. It is possible for one administrative person to conduct a review of one trust fund in a week and therefore, the cost of travel for one administrative person to conduct the trust fund review should be incorporated into the cooperator's budget annually. For smaller preclearance trust funds, a review schedule of every 3-4 years is adequate. Serious problems found during an administrative review may necessitate an increase in the frequency of the review schedule, and if the program continues year after year with no issues, a longer interval between reviews may be justified. The costs of additional people that accompany the administrative reviewer must be borne by APHIS, as this would be viewed as a training experience.

Technical

The second type of cooperative service review is the technical review. The purpose of this review is to ensure that the program is technically sufficient to prevent the introduction of agricultural pest into the U.S. These reviews are normally conducted every three or more years and the cost of travel for the inspectors should be planned in the trust fund budget. However, if there are noted deficiencies (i.e., larvae intercepted upon arrival in the U.S., etc.), the program can be reviewed as deemed necessary by the Director of Preclearance Programs. These reviews are normally handled by one Preclearance Officer, plus a mitigation expert, who can to determine the efficacy of the program practices and calibration of equipment. The cost of their travel is an expense of the trust fund program. Again, the costs of any additional personnel traveling on a technical review of the program must be borne by APHIS.

Overhead Distribution

Trust funds are charged overhead on all expenses which are paid through the APHIS accounting system. A discussion of the use of these funds is as follows. Overhead is assessed at a markup of 16.15% on all expenses. These funds are distributed within APHIS as 10.17% to the lead program (PPQ or IS) and 5.98% to MRPBS. In general, the funds partially offset general administrative costs associated with trust fund management. PPQ, IS, and MRPBS all have some functions covered by overhead.

PPQ areas which are funded through overhead include:

- Office of the Deputy Administrator
- Financial management including PPQ-RMS with oversight responsibility for trust fund financial management, reconciliations, budget reviews, etc.
- PPQ-PS – this funds the program when the inspectors are in between assignments. Overhead is assessed only on direct costs. No individually assessed overhead is incurred when the staff is in "non-assignment status."

IS areas which are funded through overhead include:

- Office of the Deputy Administrator
- Financial management with oversight responsibility for trust fund financial management, reconciliations, budget reviews, etc.
- Travel management – preparation of country clearances, visas, passport control

MRPBS funds the following groups with trust fund responsibility through overhead:

- Office of the Deputy Administrator
- Financial Management Division
  - Review and Analysis Branch
    - Trust fund policy
    - Trust fund liaison activities between field/headquarters
    - Issue resolution
    - Trust fund training activities
    - Annual cost of the facilities, etc., for trust fund conference
  - Minneapolis Financial Services Branch
    - Accounting activities
    - Monthly statements to TFMs
    - Account close out
    - Assistance on reviews
    - Trust fund training activities
  - Riverdale Financial Services Branch

        - Issues agreements
        - Reviews budgets and work plans
        - Travel management
        - Trust fund training activities
        - Assistance on reviews
    - Information Technology Division
        - Design and maintenance of systems utilized by trust fund activities such as accounting, Local Ledger, status of funds, billings and collections.
        - Web-based sites within APHIS.

Any expense item which is directly identifiable to one specific trust fund is a direct charge and not an overhead expense. This includes PPQ inspectors while on field assignments, RAB analyst travel associated with a specific trust fund review, etc.

Imprest Accounts

Each office that wants to establish an imprest cash account needs to provide a written request for the fund through the IS Financial Manager's office in Riverdale. They will approve or disapprove the request and set the dollar limit for the account. The office can have an official imprest fund through the State Department or through the Minneapolis Accounting and Payments Team. The size of the account will vary according to the size of the office and the needs expressed in the request. The approval for a Minneapolis imprest fund is forwarded to the Accounting and Payments Team with an authorization only if the Accounting and Payments Team will monitor the imprest fund (not an embassy fund). For more information about the APHIS policy and procedures for foreign imprest funds please refer to Appendix 3

Each country can request the replenishment method that they would prefer, receiving the funds in either US$ or their local currency (with a few exceptions/limitations established by Treasury). Replenishment reporting is required on a monthly basis.

Managing Accounts in US$: the TFM requests the initial check in the amount of US$500 (for example). When the US$500 check is received, the TFM then will cash the check into the local currency at the exchange rate at the time of this transaction. Receipts and cash transactions from this account will be in the local currency. At the time of the replenishment report, the receipts and the cash remaining in the fund should total the initial amount of the fund in the currency requested, which in this case is US$500. However, at the time of replenishment, the exchange rate to US$ might have changed. Therefore, an exchange rate adjustment will need to be recorded to keep the account at the initial US$500 level. This exchange rate adjustment should be recorded in Object Class 2570 (for consistency worldwide). The new replenishment request will then be for the total of the receipts converted into US$ plus/minus the exchange rate adjustment.

Managing Account in Local Currency: the TFM requests the initial check in local currency at the level approved by the IS Financial Manager. For examples, the initial check amounts to 3,500 Mexican pesos. When the check is cashed the TFM will receive 3,500 pesos. The receipts when funds are disbursed, plus cash on hand, should always add up to 3,500 pesos. The accounting report is in US dollars. Replenishment requests are simply for the total number of receipts. If due to inflation or monetary devaluation, the amount of 3,500 pesos proves to be insufficient, an explanation of these circumstances should be forwarded to the IS Financial Manager with a request for increase the account limit.

For either method of maintaining imprest funds, it is very important that a generic receipt be placed in the fund whenever cash is disbursed in advance. For instance, the US$15 equivalent is provided to John Doe to cover a car wash. A receipt to John Doe for US$15 is placed in the fund. The next day, John returns an official car wash receipt for US$12.50 and change for US$2.50. The first receipt is replaced with the US$12.50 receipt and the change is returned to the fund. These receipt slips are available at most office supply stores. This step is critical to ensure that the imprest fund balances at any given time.

Monthly, by the 10th, Accounting and Payments Team needs:

- **SF1129**
- **Accounting Report**
  - **Accounting Code**
  - **BOC**
  - **USD amount**
  - **Description (max. 30 Characters)**
- **Copies of Reciepts (fax or scan)**
- **USE the SF 1129. This form must be used for replenishments of the imprest fund.**

Sample Petty Cash/Imprest Fund Replenishment Report

Date of this Report:

	Local Currency	US$		
Beginning Balance:	1,425.00	407.14		
Reimbursement Received:	325.00	92.86	3.50	(Enter local exchange rate when check is cashed into local currency)
Receipts to be reimbursed:	1,325.00	366.02		
Exchange Rate Adjustment:		16.57		
Replenishment Check Requested:	1,385.00	382.60		
Cash Balance on Hand:	425.00	117.40		
Account is in Balance	TRUE	TRUE		
Exchange Rate:		$1 :	3.62	(Enter local exchange rate when replenishment report is issued)

Vendor	Amt. in Local Currency	Amt. US $	Obj. Class	Purpose
Jose Cortez	150	41.44	2100	taxi to plant meeting 10/15
Office Depot	375	103.59	2600	meeting supplies 10/15
Maria Hernandez	75	20.72	2500	car wash for office vehicle
Jorge Cruz	175	48.34	2100	taxi to airport for trip of 11/1
Office Depot	425	117.40	2600	misc. office supplies
Office Depot	125	34.53	2600	desk accessories for director
		0.00		
Exchange Rate Adjustment	60	16.57	2570	
Total Receipts, excluding Exchange Rate Adjustment	1325.00	366.02		
Totals including exchange rate adjustment		382.60		

Consolidated Accounting:

To summarize accounting type ctrl-a

Sum of Amt. US $	
Obj. Class	Total
2100	89.78
2500	20.72
2570	16.57
2600	255.52
(blank)	0.00
Grand Total	382.60

Chapter 9
Vessel Trust Funds

Internal Procedures for Vessel Trust Funds

To establish a Vessel Trust Fund account, the PPQ-PS contacts the FMD-ASC and requests that this function be made available to a Cooperator. This request is accompanied by detailed Cooperator contact information. The FMD-ASC prepares the Cooperative Service Agreement and requests that an accounting Code be established by PPQ-RMS. The Cooperator signs the agreement and returns it to the FMD-ASC to obtain a signature from the Administrator. After signatures are obtained, a copy of the agreement is sent to Minneapolis Accounting and Payments Team. The agreement/accounting information is established FFIS database.

For an existing account, the Cooperator contacts the PPQ-PS to make arrangements for a vessel inspection. The PPQ-PS checks for the availability of an inspector and then schedules the inspection. All the administrative needs of the inspectors, i.e., time and attendance, travel authorization, travel vouchers, etc., are handled by the PPQ-PS personnel.

The PPQ-PS contacts PPQ-RMS to verify an account balance of $5,000 dollars. This is a requirement prior to the inspector’s departure. If the account balance is less than $5,000, the Cooperator is asked to make a deposit to bring the account balance up to $5,000. Additionally, any prior deficits must be paid in full.

Monthly statements are generated by the Accounting and Payments Team office and are distributed directly to the Cooperator, the PPQ-RMS, and the FMD-ASC. If the account is delinquent the Accounting and Payments Team office will notify PPQ-PS and PPQ-RMS. The PPQ-RMS monitors all the accounting system transactions for vessel accounts. All inquiries about these accounts should be directed to the assigned PPQ-RMS analysts.

Chapter 10
Account Closure

Appropriation Law states, “If there is no appropriation available for the purpose, or the obligation is in excess of the amount available in the proper appropriation there is a violation of 31 USC 1341.” We do not have access to appropriated funds for trust fund activities, and, therefore, it is critical that we receive payment in advance for services rendered. This law also states that “an Officer or employee of the United States Government…may not-- (A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.” The law further states “An officer or employee of the United States Government … knowingly and willfully violating section 1341…shall be fined not more than $5,000, imprisoned for not more than 2 years, or both.” Further appropriations law information can be found at http://www.gao.gov/legal.htm.

Thus, it is essential that trust fund accounts are managed so as not to go into deficit. This can be easily accomplished if TFMs: 1) ensure that these programs are paid in accordance with the schedule outlined in the annual financial work plan, and 2) are diligent in their financial review of the program to ensure that the costs do not exceed planned expenditures. In this instance, the original payment schedule must be revised to reflect the additional costs.

If these two measures fail to prevent an account from going into a deficit, then the statement reflecting this state will be sent by Minneapolis to the TFM. The TFM must immediately review the account to determine if payment has been received by the Cooperator which is not reflected in the account, or if incorrect charges have not been removed from the account. If this is the case, the TFM will notify Minneapolis and begin to trace this payment or resolve any account discrepancies. If the TFM reviews the account and finds it to be accurate, he/she must immediately notify the Cooperator to make payment.

Past due letters will also be sent by MFSB through the TFMs to the Cooperator. When an account is reaching 60 days past due, PPQ-RMS or IS in conjunction with the collections team in Minneapolis will jointly recommend that the account is to be closed. This team will notify the Branch Chief, RAB to begin closure procedures. The Branch Chief, RAB will work with the Regional Directors to close the account.

Appendix 1
Index of Acronyms & Glossary

ADO → Authorized Departmental Officer
ADODR → Authorized Departmental Officer's Designated Representative
APHIS → Animal & Plant Health Inspection Services
CONUS → Continental United States
DA → Deputy Administrator
FFIS → Foundation Financial Information System
FMD-ASC → Financial Management Division Agreements Services Center
FMD-BEST → Financial Management Division Budget Execution Support Team
FMD-MN → Financial Management Division Minneapolis
FMD-RAB → Financial Management Division Review & Analysis Branch
FPC → Federal Phytosanitary Certificate
FSN → Foreign Service National
FSO → Foreign Service Officer
ICASS → International Cooperative Administrative Support Services
IS → International Services
ISDA → International Services Deputy Administrator
M&IE → Meals & Incidental Expenses
MRPBS → Marketing & Regulatory Programs Business Services
NFC → National Finance Center
OGC → Office of the General Counsel
OIC →Officer-In-Charge
OMB → Office of Management & Budget
PCMS → Purchase Card Management System
PPQ → Plant Protection & Quarantine
PPQ-PS → Plant Protection & Quarantine Preclearance Staff
PPQ-RMS → Plant Protection & Quarantine Resource Management Staff
PRCH → Purchase Order System
SOF → Status of Funds
T&A → Time & Attendance
TDY → Temporary Duty
TFM → Trust Fund Manager
USDA → United States Department of Agriculture

Glossary

ADO - Authorized Departmental Officer. An official with delegated authority to sign the Cooperative Service Agreement. For foreign trust funds, the signatory is the Administrator, APHIS.

ADODR - Authorized Departmental Officer's Designated Representative - Official designated in writing to collaboratively carry out the terms and conditions of the

Cooperative Service Agreement. This responsibility usually falls on the OIC at the location.

BRIO - Inquiry software used to write reports from FFIS data.

Cooperative Service Agreement (CSA) - An agreement outlining the services to be performed by APHIS and the terms and conditions for performing these services, including conditions for payment in advance. An annual work plan and financial plan is incorporated into the agreement by reference.

Cooperator - Plant regulatory official designated as Cooperator under the Cooperative Export Certification Program that their State has entered into with the U.S. Department of Agriculture (USDA). Specific plant regulatory officials are authorized by the Secretary of Agriculture to inspect and certify the phytosanitary conditions of plants and plant products offered for export and to issue FPC's.

FSN Severance Pay - In most overseas posts, the US Government is liable for a lump sum payment for FSN's when the employee leaves Federal Service. This liability must be passed on to the cooperator for those FSN's fully dedicated to trust funds.

ICASS (International Cooperative Administrative Support Services) Charges - ICASS was implemented by the U. S. State Department in FY 1997 and replaces the former FAAS system. ICASS distributes the cost of common administrative support services shared among US agencies at overseas posts.

Local Guard Charges - The State Department charges agencies overseas for its Diplomatic Security Local Guard Program. The Local Guard Program is the residential, or roving guards specifically assigned to the Foreign Service officer and directly charged to the affected agencies. These charges are to be treated like ICASS charges and passed on to cooperators in appropriate posts.

SUSF - is a table in FFIS that holds all rejected, held, and accepted documents until they are either worked or archived by the FFIS system. It is the only place to see the document as it was entered. PCMS shows up on SUSF only if rejected.

Trust Funds - special accounts established under a CSA to enable APHIS to provide inspection services for specific activities on a full cost recovery basis. Payment for these services must be paid in advance before costs can be incurred by the Federal government.

Appendix 2
Contacts

FMD Financial Services Branch Agreement Services Center (FMD-ASC)

4700 River Road, Unit 55
Riverdale, MD 20737

Carol Coldren
Phone 301-734-8109
Fax 301-734-8064

Victoria Irving
Phone 301-734-8060
Fax 301-734-8064

PPQ Preclearance Staff (PPQ-PS)
4700 River Road, Unit 60
Riverdale, MD 20737

Paul McGowen
Phone 301-734-3364
Fax 301-734-8318

Ruben Garcia
Phone 301-734-8259
Fax 301-734-8318

FMD Minneapolis Financial Services Branch Accounting and Payments Team (MFSB-APT)
100 N. 6th Street, 510C
Butler Square West
Minneapolis, MN 55403

Tom Grahek
Phone 612-336-3411
Fax 612-370-2245

David Santelman
Phone 612-336-3237
Fax 612-370-2245

Michelle Schmid
Phone 612-336-3244
Fax 612-370-2245

Vikki Soukup
Phone 612-336-3247
Fax 612-370-2245

Cindy Geariety
Phone 612-336-3279
Fax 612-370-2245

FMD Review & Analysis Branch (FMD-RAB)
4700 River Road, Unit 151
Riverdale, MD 20737

Judith Allen
Phone 301-734-5561
Fax 301-734-3148

Brendon Burrows
Phone 301-734-3176
Fax 301-734-3148

Marcus Carpenter
Phone 301-734-4178
Fax 301-734-3148

PPQ Resource Management Staff (PPQ-RMS)
4700 River Road, Unit 130
Riverdale, MD 20737

Sherry Parsons
Phone 301-734-5660
Fax 301-734-8434

Jean Monar
Phone 301-734-5695
Fax 301-734-8434

Linda Taylor
Phone 301-734-5466
Fax 301-734-8434

Sherman Tyler
Phone 301-734-4884
Fax 301-734-8434

Jean Montague
Phone 301-734-6600
Fax 301-734-8434

APHIS Technical Assistance Center (ATAC)
1-877-944-8457
Clients outside of the USA who are unable to phone ATAC using 1-877+number should call 1-301-734-6455 for computer assistance.

ASD, Property Team
100 North 6th Street, Suite 510C
Minneapolis, MN 55403

Russell Noyes
Fleet Manager
612-336-3218

Archie Crandall
Property Management Specialist
612-336-3216

Inez DeCoteau
Property Management Specialist
612-336-3217

Assigned PPQ Budget Point of Contact per Accounting Code

For technical budget assistance, please see the list on this and the following page to determine who your point of contact is.

ASSIGNED	TF ACCT.			Assigned	TF ACCT.	
PPQ ANALYSTS	X838112	LOCATION		PPQ ANALYSTS	X838112	LOCATION
Jean Montague	369	Argentina		Jean Montague	362	New Zealand
Jean Montague	394	Brazil		Jean Montague	738	New Zealand
Jean Montague	408	Brazil		Jean Montague	729	Philippines
Jean Montague	452	Brazil		Jean Monar	615	Singapore
Jean Montague	467	Brazil		Jean Monar	746	Taiwan
Jean Montague	708	Brazil		Jean Monar	750	Taiwan

Jean Montague	428	Brazil		Jean Montague	363	Belgium
Jean Montague	743	Brazil, Valexport		Sherman Tyler	433	Belgium
Jean Monar	310	Chile		Sherman Tyler	311	Copenhagen
Jean Montague	438	Ecuador		Jean Monar	731	Cyprus
Jean Montague	448	Ecuador		Sherman Tyler	457	Denmark
Jean Montague	473	Ecuador		Sherman Tyler	359	England
Jean Montague	711	Ecuador		Jean Montague	737	England
Jean Montague	717	Ecuador		Sherman Tyler	354	France
Sherman Tyler	391	Peru		Sherman Tyler	423	Germany
Sherman Tyler	398	Peru		Jean Monar	704	Germany
Sherman Tyler	424	Peru		Jean Montague	741	Germany
Sherman Tyler	471	Peru		Jean Monar	747	Germany, Hamburg
Sherman Tyler	472	Peru		Sherman Tyler	377	Greece
Sherman Tyler	476	Peru		Sherman Tyler	431	Greece
Sherman Tyler	710	Peru		Sherman Tyler	443	Greece
Sherman Tyler	725	Peru		Sherman Tyler	712	Greece
Sherman Tyler	730	Peru		Sherman Tyler	733	Greece
Sherman Tyler	735	Peru		Jean Montague	404	Holland
Sherman Tyler	748	Peru, Lima		Sherman Tyler	349	Israel
Sherman Tyler	744	Peru, Senasa		Sherman Tyler	610	London
Sherman Tyler	745	Peru,Senesa Melon		Sherman Tyler	718	London
Sherman Tyler	465	Australia		Sherman Tyler	327	Netherlands
Sherman Tyler	716	Australia		Sherman Tyler	749	Netherlands
Sherman Tyler	721	Australia		Sherman Tyler	706	Norway
Sherman Tyler	739	Australia		Sherman Tyler	474	South Africa
Jean Monar	468	Florida		Sherman Tyler	366	Spain
Jean Montague	742	Florida, Lakeland		Sherman Tyler	703	Spain
Jean Montague	726	Hong Kong		Jean Monar	701	Sweden
Jean Montague	323	Japan		Sherman Tyler	411	United Kingdom
Jean Montague	470	Japan		Sherman Tyler	613	United Kingdom
Jean Montague	705	Japan		Sherman Tyler	376	West Germany
Jean Montague	740	Japan		Jean Monar	727	Canada
Jean Montague	732	Japan		Jean Montague	609	Costa Rica
Jean Montague	416	Korea		Jean Montague	415	Dominican Republic
Jean Montague	444	Korea		Jean Montague	608	Guatemala
Jean Montague	720	Korea		Linda Taylor	713	Haiti
Sherman Tyler	702	New Jersey		Jean Montague	734	Honduras
Jean Montague	736	New Jersey		Sherman Tyler	611	Jamaica
Jean Montague	603	Nicaragua		Melonie Torillo	757	USA CA
Melonie Torillo	759	Costa Rica		Melonie Torillo	755	USA CO
Melonie Torillo	760	Germany		Melonie Torillo	754	USA IA
Melonie Torillo	758	Kenya		Melonie Torillo	753	USA IL
Jean Monar	466	Mexico		Melonie Torillo	756	USA PA
Melonie Torillo	762	Mexico		Melonie Torillo	757	USA CA
					767	China

<u>Assigned Review and Analysis Liaisons per country</u>:

The following is a list of RAB staff liaison for Trust Funds. Each country with a Trust Fund is assigned one in order to serve as a point of contact for any questions, problems, issues, comments, etc., for personnel from the program.

Contact:	**Country:**	**RAB Liaison:**
Renata Badilla	Costa Rica	Brendon Burrows (temp)
Renata Badilla	Honduras	Brendon Burrows (temp)
Renata Badilla	Nicaragua	Brendon Burrows (temp)
Patricia de Pezzarossi	Guatemala	
Marcelo Alvez	Brazil	
Anna Sanchez Yena Bernard	Haiti	Marcus Carpenter
Pilar Bilotte	Argentina	Marcus Carpenter
Ivonne Rosenblatt	Chile	Marcus Carpenter
Felicity Davis	South Africa	Brendon Burrows
Laura Blanco	Guadalajara	
Yoko Honma	Japan	Marcus Carpenter
Eun-Kyung Lee	Korea	Marcus Carpenter
Relindis Joosten	Belgium	Brendon Burrows
Robert Ouwehand	Lisse	
Rose Bendana	Philippines	Brendon Burrows
Gladys Solano	Peru	Brendon Burrows
Maydene Campbell	Jamaica	Marcus Carpenter

Appendix 3
Forms & References

Forms

- AD-107, "Report of Transfer or Other Disposition or Construction of Property."
  http://www.aphis.usda.gov/mrpbs/forms/ad/ad107.pdf

- Performance Element – OIC & Trust Fund Manager
  http://www.aphis.usda.gov/mrpbs/forms/mrp/mrp102.pdf
  http://www.aphis.usda.gov/mrpbs/forms/mrp/mrp102a.pdf
  http://www.aphis.usda.gov/mrpbs/forms/mrp/mrp102b.pdf

- Expenditure Adjustment Form
  http://www.aphis.usda.gov/mrpbs/systems/ffis/expenditure_adj_form.pdf

References

- Chapter 6 – Agreements Management Manual (Located in this Appendix)

- Chapter 15 – APHIS Budget and Accounting Manual (Cost Identification and Recovery)
  http://www.aphis.usda.gov/mrpbs/manuals_guides/accounting_manual/bam_ch15.pdf

- OMB Circular No. A-25 – Full Cost Recovery
  http://clinton4.nara.gov/textonly/OMB/circulars/a025/a025.html

- USDA Commodity Preclearance Program Management Guidelines Chapter 4 and Appendices B & C
  http://www.aphis.usda.gov/ppq/preclearance/guidelines.pdf

- Appendix B to Chapter 301 of the Federal Travel Regulation- Allocation of M&IE Rates To Be Used in Making Deductions From the M&IE Allowance.
  http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/FTR_2005-04_R2QA53 0Z5RDZ-i34K-pR.pdf

- Rest Stops, 41 Code of Federal Regulations Part 301-7.11 (Located in this Appendix)

- Comptroller General Decisions on:
  - Two Day Per Diem Rule (Located in this Appendix)
  - Overtime Compensation for Travel (Located in this Appendix)

- APHIS Policy, Accounting, And Reporting Procedures For Foreign Imprest Funds (Located in this Appendix)

- Section 301-9.1 of MRPBS Supplements to USDA Travel Regulations (Located in this Appendix)

- OPM Salary Tables (Yearly and Hourly)
  http://www.opm.gov/oca/05tables/pdf/gs.pdf
  http://www.opm.gov/oca/05tables/pdf/gs_h.pdf

CHAPTER 6 - COOPERATIVE SERVICE AGREEMENTS

General

This chapter outlines APHIS policy and procedures for initiating and administering cooperative service agreements. These agreements are used to establish arrangements with non-Federal entities for APHIS to provide technical assistance, goods, or services on a cost-recovery basis. Cooperative service agreements may be established on a one-time or continuing basis and provide for cost-recovery on an advance (trust) or reimbursable basis.

Policy

A. It is APHIS policy to enter into cooperative service agreements to recoup costs whenever the Agency provides services to a cooperator and no other appropriate legal mechanism (e.g., user fees) exists for the Agency to recoup such costs. APHIS will enter into cooperative service agreements under the following conditions:

1. The Agency must have authority to provide the requested services.

2. The Agency must have authority to recoup and retain funds received from cooperators for providing services. Absent such authority, the Agency will deposit such funds with the U.S. Treasury as miscellaneous receipts.

3. Performance must be requested by a cooperator.

4. The Agency will agree to provide services under a cooperative service agreement only when it has determined that it has the required resources, including scientific and technical, to meet its agreement commitments and that providing services will not negatively impact on other APHIS responsibilities including reduced or delayed services to APHIS customers for which reimbursement is not authorized or being sought.

5. The Agency will service cooperators under cooperative service agreements only when it has determined that providing such services furthers APHIS' mission and program responsibilities.

6. APHIS performance under cooperative service agreements must not be in direct competition with commercial vendors (e.g., APHIS may not enter into an agreement to produce a chemical compound that is currently available from commercial sources or to provide routine veterinary care).

7. Sufficient funds to provide services under a cooperative service agreement must be deposited by a cooperator with APHIS. APHIS must receive an agreed to level of funding to cover costs (which includes an amount for administrative overhead) in advance of providing services. The Agency also may accept a Letter of Credit or other surety from a cooperator. If funds deposited by a cooperator are not sufficient to continue or complete providing requested services under an agreement, APHIS will require that the cooperator deposit an additional sum, as determined by APHIS, before continuing with services.

8. APHIS may consider reimbursement from a cooperator after the Agency provides the cooperator with services only in those cases

when APHIS is able to ensure that it is legally and financially able to absorb costs incurred under the agreement in case of cooperator default on the agreement.

9. The Agency will recoup 100 percent of the cost of services rendered to a cooperator under a cooperative service agreement, unless otherwise approved by the Administrator in writing.

10. Costs requested by APHIS for providing services to any one specific cooperator must fairly represent the costs for which that specific cooperator is liable.

11. Costs charged to a cooperator will represent the actual costs incurred by APHIS in providing services.

12. APHIS policy is not to use cooperative service agreements to provide cooperators with reimbursable loans of Federal funds.

Applicability

This chapter applies to all cooperative service agreements. For additional guidance on international cooperative service agreements (i.e., foreign governments and international organizations) please refer to Chapter 8 of the APHIS Agreements Management Manual.

Authority to Cooperate

Cross-reference: Exhibit R-1: *APHIS' Delegated Authority - 7 CFR 2.51*

To enter into cooperative service agreements, APHIS must be:

A. Authorized to cooperate in performing the requested services. See **Exhibit R-1**

B. Able to devote adequate resources (personnel, material, equipment, supplies, etc.) to accomplishing the agreed upon task.

C. Authorized to collect and retain funds for services provided. Absent authority to retain funds, collected funds will be sent to the U.S. Treasury as miscellaneous receipts.

Refer to Chapter 3 for further information on APHIS authorities.

Authority to Retain Funds Collected

Examples of specific authority to collect and retain funds in the Agency's accounts include:

A. For the sale of sterile screwworm--*21 U.S.C. § 114d(a)(b)(c)* authorizes APHIS to sell sterile screwworm to foreign governments, international organizations or associations, charge for the sale of screwworm, and deposit proceeds of any sale in the U.S. Treasury to be credited to the appropriation from which the operating expenses of the facility producing the screwworm has been paid.

B. For animal inspection and veterinary diagnostics: *21 U.S.C. § 136a(c)* authorizes APHIS to prescribe and collect fees to reimburse APHIS for the cost of carrying out certain provisions of the Federal Animal Quarantine Laws or that relate to veterinary diagnostics. All fees collected are to be credited to the accounts that incur the cost and shall remain available until expended without fiscal year limitation.

In addition to the method described above, APHIS may retain funds collected for preclearance or preinspection services or the inspection of treatment facilities under *21 U.S.C. § 136a(c)*. *21 U.S.C. § 136a(c)* broadly defines the term "animal quarantine laws" to include laws relating to plant diseases or pests. Therefore, preclearance or preinspection services or the inspection of treatment facilities that implement the provisions of "animal quarantine laws" relating to the importation and entry of articles or means of conveyance may collect fees per the method set forth in *21 U.S.C. § 136a(c)*. All fees collected pursuant to *21 U.S.C. § 136a(c)* are to be credited to the accounts that incur the cost and shall remain available until expended without fiscal year limitation. It is APHIS' decision to make a choice, where one exists, between using *21 U.S.C. § 136a(a)* or *21 U.S.C. § 136a(c)* for user fee collection.

C. For plant preclearance or inspection of treatment facilities: Under *21 U.S.C. § 136a(a)*, APHIS can prescribe and collect fees to cover the cost of preclearance or preinspection services or the inspection of treatment facilities in foreign countries. Fees collected under *21 U.S.C. § 136a(a)* must be deposited in the "Agricultural Quarantine Inspection User Fee Account" in the Treasury. This account is used to reimburse the appropriation accounts which incur the costs associated with the services. Any such reimbursement from the Treasury account is subject to the limit established in the annual Congressional appropriation.

D. The *Act of August 31, 1951, as amended [referred to as the General User Fee Statute], 31 U.S.C. § 9701*, Federal agencies are encouraged to charge for goods and services, as appropriate. However, this Act does not authorize agencies to retain receipts in their accounts. Per *31 U.S.C. § 3302 (The Debt Collection Act of 1982)*, funds received by an agency will not be used by that agency. Rather, except as provided for by another law, these funds are required to be deposited in the Treasury as soon as practicable without deduction for any charge or claim. Therefore, the authority for APHIS to retain in its accounts funds collected via cooperative service agreements must be specifically authorized by statute or in APHIS' appropriation language.

The above references may not be a complete listing of APHIS' authority to retain the use of collected funds. Consult 7 CFR 2.51 for a complete listing of delegations.

E. Additionally, authority to enter into cooperative service agreements, prescribe fees, and credit those fees into APHIS accounts may periodically exist elsewhere, including the Act providing APHIS with its annual appropriations. Units interested in ascertaining the existence of such authority should contact their Resource Management Support (RMS) staff or Budget and Accounting (BAD), Agreements and Grants Management Team (AGMT).

Refer to Chapter 3 of the APHIS Agreements Management Manual for further information on APHIS' authorities.

Alternate Names for Cooperative Service Agreements

Cooperative service agreements were formerly called by many different names including: reimbursable cooperative agreement, cooperative field agreement, field agreement, trust fund agreement, cooperative service arrangement, cooperative agreement, reimbursable cooperative agreement, or cooperative funding agreement. The correct term for any agreement with non-Federal cooperators in which APHIS is charging the cooperator for services is "cooperative service agreement." To identify the method of payment, a parenthesized heading of "Trust Fund Agreement" or "Reimbursable Agreement" may be used as needed.

Refer to Chapter 2 of this Manual for more information on how to select the proper agreement type.

Roles and Responsibilities

Agreement Management Responsibilities. This section provides a breakdown of the general responsibilities for officials using cooperative service agreements. However, the roles and responsibilities may differ slightly from program to program based on specific delegations which are provided in the following exhibits:

Wildlife Services - See Exhibit P-3
International Services - See Exhibit P-5
Legislative and Public Affairs - See Exhibit P-6
Management and Budget - See Exhibit P-7
Plant Protection and Quarantine - See Exhibit P-8
Policy and Program Development - See Exhibit P-9
Organizational and Professional Development - See Exhibit P-10
Animal Care - See Exhibit P-11
Veterinary Services - See **Exhibit P-12**

The Administrator has ultimate responsibility for all cooperative service agreements regardless of whether signatory authority and responsibility has been delegated to other officials. These officials must adhere to all applicable Federal and APHIS rules, regulations, policies, and procedures.

Deputy Administrators or their equivalents have direct responsibility for cooperative service agreements used within their programs.

The Administrator, Deputy Administrators, and Other Designated Signatory Officials. serve as Authorized Designated Officers (ADOs) and will:

A. Designate in writing, of an "Authorized Departmental Officer's Designated Representative" (ADODR) who performs duties such as those shown for the ADODR's outlined below in this section.

B. Monitor the ADODR's performance of the administrative program duties required by the terms of the agreement or as outlined in the official designation.

C. Review and approve the cooperative service agreement including the financial plan/budget, workplan, and other documents related to the agreement.

D. Ensure that APHIS does not start work planned under the cooperative service agreement before signature of the document by all parties.

E. Ensure that funds are on deposit with APHIS, if required, and that APHIS has sufficient resources (personnel) before entering into an agreement.

F. Ensure that APHIS has authority before entering into a proposed cooperative service agreement.

G. Ensure that the terms and conditions of the proposed cooperative service agreement are in compliance with all applicable Federal laws and regulations and with the guidelines set forth in this Manual.

H. Ensure that a complete cooperative service agreement is cleared and approved through proper channels and that proper distribution is made.

I. Ensure that the terms of the cooperative service agreement are kept current (revised, continued, suspended, or terminated as appropriate).

Authorized Departmental Officer's Designated Representatives (ADODR's) will:

A. Negotiate initial terms and conditions of the cooperative service agreement including the workplan and financial plan.

B. Ensure that all arrangements agreed to by APHIS and the cooperator are documented in writing and maintained as part of the official agreement file.

C. Monitor APHIS' performance in accordance with the established protocol, workplan, or responsibilities set forth in the cooperative service agreement. The ADO will visit worksite as appropriate and when deficiencies are noted, promptly notify the ADO in writing.

D. Monitor cooperator's compliance with all terms and conditions listed in the cooperative service agreement.

E. Account for cooperator funds to ensure a sufficient balance is available to cover the expenses anticipated to be incurred by APHIS during a forecast period. The ADO will notify the cooperator if the account balance becomes insufficient and curtail APHIS' performance until additional funds are deposited.

F. Initiate and complete cooperative service agreement continuation or closeout, as appropriate.

G. Notify the ADO when unilateral termination of the cooperative service agreement by APHIS is warranted.

H. Obtain signatures for cooperative service agreements.

I. Ensure that all relevant cooperative service agreement data is entered into APHIS' Agreements Tracking System (ATS) no later than 2 weeks after final signature of the agreement.

The Resource Management Support (RMS) staff as the ADO's designee will:

A. Serve as the primary national program liaison for providing administrative guidance to ADO's, regional, non-regional field offices, and headquarters staffs.

B. Research program authority, appropriate regulations, and Agency policy regarding the use of cooperative service agreements.

C. Ensure that cooperative service agreement numbers and accounting codes are assigned.

D. Provide BAD, AGMT with all cooperative service agreements requiring the Administrator's signature, along with all required documents.

E. Ensure that completely signed originals of the cooperative service agreement are distributed to the cooperator, ADODR, and Field Servicing Office (FSO).

F. Ensure the cooperator is not on GSA's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" or indebted to the Federal Government.

G. Ensure the implementation of agreement review recommendations.

H. Serve as the primary Agency unit for cooperator account reconciliation unless delegated to other units by the RMS staff, as appropriate. This function will be accomplished in cooperation with FSO.

The Budget and Accounting Division (BAD), Agreements and Grants Management Team (AGMT) will:

A. Develop and recommend APHIS cooperative service agreement policies and procedures.

B. Provide Agency personnel with guidance on cooperative service agreement issues including all stages of development on complex agreements, as necessary.

C. Review, analyze, and comment on proposed legislative changes which may have an impact on the cooperative service agreement process.

D. Analyze cooperative service agreements collectively and perform periodic agreement activity reviews to determine whether agreements are in compliance with APHIS and Federal policy.

E. Analyze the financial status of cooperative service agreements and conduct special analyses on various agreement issues.

F. Serve as a liaison with the Office of the General Counsel (OGC) when legal opinions are needed and with other entities external to APHIS, as needed.

G. Review and approve all cooperative service agreements to be signed by the Administrator.

H. Serve as the primary Agency-level contact for cooperative service agreement appeals and disputes.

I. Cooperate with Resource Management and Systems Evaluation Staff (RMSES) and other units to conduct periodic agreement reviews which entail a review of all aspects of cooperative service agreements to ensure compliance with Federal laws and the policies set forth in this Manual.

J. Issue a report, as appropriate, of agreement review findings, including recommendations for correction, to the Administrator, Deputy Administrator, ADO, ADODR, RMS, RMSES, and other concerned parties.

K. Track the implementation of agreement review recommendations.

The Budget and Accounting Division (BAD), Financial Systems and Services Branch (FSSB), will:

A. Conduct analysis of agreement charges covering the services, goods, or equipment provided by APHIS to determine whether charges are appropriate.

B. Provide Agency policy and procedural information for debt management issues arising under cooperative service agreements.

RMSES will:

A. Cooperate with BAD, AGMT and other units to conduct periodic agreement reviews which entail a review of all aspects of cooperative service agreements to ensure compliance with Federal laws and the policies set forth in this Manual.

B. Issue a report, as appropriate, of agreement review findings, including recommendations for correction, to the Administrator, Deputy Administrator, ADO, ADODR, RMS, AGMT, and other concerned parties.

C. Track the implementation of agreement review recommendations.

The Field Servicing Office (FSO) will:

A. Prepare financial statements for services rendered or goods provided as described in the cooperative service agreement.

B. Collect funds covering current and delinquent accounts from cooperators.

C. Ensure distribution of funds collected to proper APHIS unit accounts (i.e., direct program delivery and overhead assessments).

D. Provide Agency personnel and the cooperator with guidance on cooperative service agreement issues pertaining to monthly statements and accounting reports.

E. Serve as a primary Agency-level contact for cooperative service agreement financial disputes.

F. Assist the AGMT, RMSES, and other appropriate Agency units in conducting periodic cooperative service agreement reviews.

G. Ensure updated cooperative service agreement data through existing data bases for generating monthly financial statements.

H. Monitor cooperative service agreement finances to ensure that these agreements do not place the Agency in danger of violating the Anti-Deficiency Act.

I. Assist BAD, FSSB with debt management of delinquent cooperative service agreements, including initiating a bill and negotiating terms of cooperator payment of debt.

J. Audit cooperative service agreement finances, perform financial close- out of such agreements, issue bills to cooperators for outstanding debt, refund excess cooperator funding, and notify relevant APHIS program offices of any actions taken.

Signatory Authority

Cross-reference: Exhibit P-1: *Delegation of Signatory Authorities*

Cooperative Service Agreements. The Administrator will approve the following types of cooperative service agreements: all cooperative service agreements with foreign governments and international organizations. The Administrator also will sign any cooperative service agreements that are ceremonial, involving more than one APHIS organizational unit, politically sensitive, precedent setting in nature, or involving the acceptance of "in kind" (accommodations, airline tickets, etc.) remuneration in lieu of cash.

The Administrator has delegated signatory authority for all other cooperative service agreements to the deputy administrators/directors of APHIS program units. Deputy administrators/directors may delegate authority to other officials within their units. Further delegation of program signatory authority within each unit is documented in the following exhibits:

Wildlife Services - See Exhibit P-3
International Services - See Exhibit P-5
Legislative and Public Affairs - See Exhibit P-6
Management and Budget - See Exhibit P-7
Plant Protection and Quarantine - See Exhibit P-8
Policy and Program Development - See Exhibit P-9
Organizational and Professional Development - See Exhibit P-10
Animal Care - See Exhibit P-11
Veterinary Services - See Exhibit P-12

If your program does not have the delegations of program signatory authority documented in one of the above exhibits, signatory authority for all cooperative service agreements will rest with the Deputy Administrator/Director of the program (except for, as discussed above, those cooperative service agreements reserved for the Administrator's signature).

Components of the Cooperative Service Agreement Package

The cooperative service agreement package typically will consist of the (1) Notice of Cooperative Service Agreement, (2) financial plan/budget, (3) workplan and protocol, and (4) other documents relative to the agreement. The following chart will provide additional information:

Exhibit S-17: *Sample Format for Cooperative Service Agreement*

Exhibit S-18: *Sample Format for Revision of Cooperative Service* Agreement

Exhibit S-19: *Sample Format for Continuation of Cooperative Service Agreement*

DOCUMENT REQUIREMENTS **Table 6-1**

Phase of Agreement	Recipient	APHIS
Preagreement	. Request for services or goods to be provided by APHIS . Recipient organization must certify that: - It has not been debarred or suspended from receiving benefits from the Federal Government; and - It is not delinquent on any Federal debt.	. Prepare workplan, budget, terms and conditions of agreement including assurances for debarment and suspension and Federal debt. . Check Debarment and Suspension List
Agreement	. Deposit funds with APHIS (trust funds only) . Make payments as required by the terms of the Cooperative Service Agreement	. Finalize Cooperative Service Agreement . Obtain recipient approval of workplan and budget . Designate ADODR . Collect payments
Revision	. Notify APHIS, in writing, of requested changes	. Revise workplan, budget, and/or Cooperative Service Agreement as necessary
Continuation of Agreement	. Recertify their Debarment and Suspension and Federal debt status . Complete workplan and budget	. Revise workplan and budget . Obtain necessary approval of documents
Post Agreement	. Request additional services . Request termination of agreement . Request audit of records	. Reconcile account . Collect outstanding payments or refund unused funds . Dispose of equipment--following agreement terms . Provide audit info.

Exhibit S-17: Sample Format for Cooperative Service Agreement

Notice of Agreement

The cooperative service agreement document formalizes the nature, terms, and conditions of the relationship between APHIS and the cooperator. The cooperative service agreement document and any amendments are usually written by the program official who negotiates the agreement or the program unit

RMS or as set forth in the applicable Federal regulations. The cooperative service agreement document addresses:

A. **Heading** officially identifies the cooperating parties of the agreement.

B. **Articles stating**: **Purpose** of entering into the agreement is stated in either general or specific terms to cover (1) what, why, how, and where work is to be performed. Express mutual benefit.

C. **Article stating legal authority** for APHIS to (1) cooperate, (2) to do the work, and (3) to collect fees/recover costs. If appropriate, cite the cooperator's authority to cooperate also.

D. **Article stating the cooperator's responsibilities** including:

1. Designation of the ROAR.

2. Pay bills promptly as outlined in the Notice of Cooperative Service Agreement.

3. Indicate the frequency of workplan progress reports required by APHIS.

4. When applicable, indicate level of involvement in carrying out the project or program activities.

5. Other responsibilities exclusive to the cooperator.

E. **Article stating APHIS' responsibilities** including:

1. Designation of APHIS' ADODR.

2. How the program activity is to be managed.

3. Establish charges/fees and payment terms.

4. Indicate level of involvement in carrying out the requested project or program activities.

5. Other responsibilities exclusive to APHIS.

F. **Article stating mutual agreement** including joint activities and work and financial plans.

G. **Articles stating all required standard clauses** applicable to the agreement. See section on Standard Language for examples.

H. **Article stating effective date, amount charged to the cooperator (or a reference to the budget/financial plan), and duration of the agreement.** Include conditions for amendment and termination in this article.

I. **Signature block for cooperating parties**. Make sure that the person signing for APHIS has been delegated authority.

J. **Obligation information**: The Notice of Cooperative Service Agreement serves as the obligating document for this type of agreement. Therefore, the signature page must include the following information:

Total charges = $ XXXXX , State Accounting Code

Overhead charges = $ XXXX, State Overhead Accounting Code

APHIS agreement number: XX-XXXX-XXXX-TF

Standard Language for Cooperative Service Agreements

The following language, as applicable, should be included in each cooperative service agreement to cover legal requirements and general APHIS policy:

Contingency Statement

"This Cooperative Service Agreement is contingent upon [name of cooperator] depositing, with APHIS, funds needed to conduct covered activities or to provide goods within the availability of APHIS resources. Further, the [name of cooperator] agrees to pay all of APHIS' actual costs incurred."

Certification of Debarment & Suspension and Federal Debt Status (unless waived by Federal regulations)

"As a condition of this agreement, the cooperator ensures and certifies that it is not currently debarred or suspended and is free of delinquent Federal debt."

Non-exclusive Service Clause

"Nothing in this Cooperative Service Agreement shall prevent any other country, State government or its political subdivisions, local government, university, or college, organization, association, or individual from entering into a separate Cooperative Service Agreement with APHIS for the purpose of.... [state purpose of the Cooperative Service Agreement]."

Failure To Pay Fees Clause

For cooperative service agreements entered into under the authority of *21 U.S.C. § 136(a)* or *21 U.S.C. § 136(c)*.

"The cooperator is liable for fees assessed for services performed under this agreement. Failure to pay fees when due will result in APHIS assessing a late payment penalty. In addition, the overdue fees shall accrue interest as required by 31 U.S.C. § 3717."

Liens

For cooperative service agreements entered into under the authority of *21 U.S.C. § 136a(c)*:

"APHIS shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this agreement for the fees, any late payment penalty, and any accrued interest assessed by APHIS. Failure to pay fees, late payment penalties, or accrued interest, after APHIS has provided reasonable notice of default to the cooperator, shall result in a public sale, or other disposal, of any animal, article, means of conveyance, or facility on which APHIS has a lien."

Note: For cooperative service agreements entered into under the authority of *31 U.S.C. § 136a(a)*, substitute "plant or plant product" for "animal, article, means of conveyance, or facility."

Liability Clause

"APHIS assumes no liability for any actions or activities conducted under this Cooperative Service Agreement except to the extent that recourse or remedies are provided by Congress under the Federal Tort Claims Act (28 U.S.C. § 1346(b), 2401(b), and 2671-2680).

Amendment/Termination Clause

"This Cooperative Service Agreement may be amended at any time by mutual agreement of the parties in writing. Also, this Agreement may be terminated at any time by mutual agreement of the parties in writing, or by one party provided that party notifies the other in writing at least 120 days prior to effecting such action."

Note: The length of notice for unilateral termination may be longer or shorter if necessary.

International Law

For international cooperative service agreements only (if APHIS desires the cooperative service agreement to be non-binding under international law):

"This Cooperative Service Agreement does not constitute a binding obligation under the laws of [name of foreign country], and the United States of America, or international law."

Refer to Chapter 8 for more information regarding international agreements.

Taxpayer Identification Number (TIN)

All cooperators under cooperative service agreements must provide the Agency with their Taxpayer Identification Number (TIN). The TIN may be an individuals Social Security Number (SSN) or a vendor's Employer Identification Number (EIN) as appropriate for a particular cooperative service agreement. APHIS is required to obtain the TIN from anyone in a relationship with the Agency that may give rise to a receivable due APHIS.

In obtaining the TIN, APHIS must tell the provider of the TIN that the number will be used to collect and report delinquint amounts arising from the person's relationship with the government.

The TIN should be placed on the Notice of Agreement document and must be treated with confidentiality as appropriate.

Format Exceptions

APHIS, Wildlife Services, may use cooperative service agreements of a format shown in (XXXXX and XXXXX respectively) covering: (1) the provisions of services of wildlife damage management services by Wildlife Services when the agreement covers miscellaneous equipment rental or sale of supplies or provision of services amounting to US$1,000 or less and lasting for not more than 6 months and (2) the provisions of services of wildlife damage management services by Wildlife Services when the agreement covers miscellaneous equipment rental or sale of supplies or provision of services amounting to more than US$1,000 and lasting for more than 6 months.

See **Exhibit P-3** for delegated signatory authority covering these Wildlife Services cooperative service agreements for which a format exception is approved.

Agreement Numbering

Beginning October 1, 1993, the format used to assign agreement numbers to cooperative service agreements is as follows:

Example: 97-8200-0020-TF

Position 1 & 2 - Current fiscal year of the agreement.

Position 3 - Program unit identification.

Position 4 - Region Number.

Position 5 & 6 - Area, State, or other, such as 00 if further organizational background is not required.

Position 7 - 10 - Sequential control number. If you are initially inputting a continuing agreement-use the last four digits of that agreement. If inputting a new agreement, you can let the computer generate the next available number or override the system manually.

Position 11 - 12 - Acronym for agreement type. Use TF for trust fund or RA for reimbursable agreement.

All agreements must be entered into the Agreement Tracking System (ATS), or any AGMT approved successor systems, by the originating unit or other agreed to entity. As this is APHIS' only data base system in use, it is required that all agreements be entered within 2 weeks of final signature so that accurate reports can be generated.

Workplan

Exhibit S-20: Sample Format for Workplan for Cooperative Service Agreement

The workplan or project proposal outlines the activities to be performed by APHIS or the cooperator and should include elements such as the purpose, approach, resource requirements, and methods, the geographic area, and the expected results. It is suggested that the workplan be signed by both parties.

Equipment

Any equipment purchased by APHIS under a cooperative service agreement with funds provided by the cooperator must be indicated on the agreement workplan and concurred upon by both APHIS and the cooperator. Upon agreement expiration or termination, the equipment will be disposed of and any proceeds will be returned to the cooperator minus the cost of APHIS disposing of the equipment.

If APHIS chooses and is legally able to retain the equipment, it may do so with the cooperator's concurrence. In such instances, APHIS will reimburse the cooperator for the fair market value of the equipment being retained at the time of its retention.

Financial Plan/Budget

This document translates the activities of the workplan into financial resource requirements such as dollars, people, equipment, etc. If the agreement is not renewed annually, it is suggested that an annual estimated financial plan prepared by APHIS be agreed to by both parties.

Review of Proposed Agreement

Each unit has established its internal review and processing procedures as shown in individual exhibits as follows:

Wildlife Services - See Exhibit P-3
International Services - See Exhibit P-5
Legislative and Public Affairs - See Exhibit P-6
Management and Budget - See Exhibit P-7
Plant Protection and Quarantine - See Exhibit P-8
Policy and Program Development - See Exhibit P-9
Organizational and Professional Development - See Exhibit P-10
Animal Care - See Exhibit P-11
Veterinary Services - See Exhibit P-12

Electronic Final Review of Agreements Requiring the Administrator's Signature:

At their option, units may submit electronic copies of cooperative service agreements and supporting documentation along with any cooperator signed originals for electronic final routing of the agreement *in lieu* of the manual, paper routing, and concurrence requiring the *APHIS Transmittal and Approval Form, APHIS Form 16-R.*

Appropriate unit offices preparing a cooperative service agreement requiring the Administrator's signature will provide BAD, AGMT, through their RMS staff with the actual, signed cooperative service agreement and all supporting documentation along with a copy of the same material either electronically (e.g., E-mail) or on a computer disc.

RMS will forward this material to BAD, AGMT who will make the material available through electronic mail to select parties for a 5 working day period.

At a minimum, the following offices or individuals will be included in the electronic review:

A. The agreement originator, if appropriate.

B. The unit RMS Director or select, associated staff.

C. Appropriate headquarters program officials.

D. Affected unit deputy administrators or equivalents, including their respective administrative/secretarial staff.

E. Selected BAD, AGMT, staff.

F. The Director, BAD.

G. The M&B Deputy Administrator, including the respective administrative/secretarial staff.

H. The Administrator, including the respective administrative/secretarial staff.

I. Any other individuals or groups as the situation warrants.

After 5 working days, if there are no unresolved comments or concerns, BAD, AGMT, will prepare the agreement package along with a brief statement that the agreement has been reviewed and that any comments/concerns were satisfactorily resolved. The note will be initialed by someone in BAD, AGMT, and someone in the affected unit's RMS staff. No additional concurrences are required. BAD, AGMT, will then send the agreement to the Administrator for final signature.

If it is impractical to review any particular cooperative service agreement as indicated above, the RMS will provide BAD, AGMT, with the actual agreement package only. BAG, AGMT will then give notice to all sources above indicating the nature and purpose of a proposed agreement, indicating its location and availability for final review by any interested party. Copies will be made available to anyone specifically requesting such. The agreement will be held by BAD, AGMT, for 5 working days for final comment. Barring any delays, the agreement will be released to the Administrator for signature after the waiting period. The agreement being sent to the Administrator will be accompanied by a note indicating that the agreement was made available for comment and that any comments/concerns are resolved. The note will be initialed by someone in BAD, AGMT, and someone in the affected unit's RMS staff. No additional concurrences are required.

This process is designed to replace the routing process that uses the *APHIS Transmittal and Approval Form, APHIS Form 16-R*. This form and associated process may still be used if desired.

Approval of Agreement

Exhibit F-10: APHIS Transmittal and Approval Form, APHIS Form 16-R

The Notice of Cooperative Service Agreement may be prepared for signature after determining that the proposal supports APHIS' mission and falls within its authorizing authority, the cooperator is not debarred or suspended, and is free of delinquent Federal debt. The unit will ensure that the agreement has been reviewed by all APHIS parties deemed necessary by established, internal unit review procedures. The unit should obtain the cooperator's signature on all required documents before securing the Agency's final approval.

All documents requiring the Administrator's signature must be prepared by the appropriate unit office and submitted through the RMS for obtaining review and approval as indicated in the section above. The RMS staff will be responsible for the appropriate distribution of the document including providing copies to FSO and the cooperator, except if the cooperative service agreement is signed by the Administrator, in which case the responsibility for distributing the agreement within APHIS lies with BAD, AGMT.

If APHIS' ADODR was not designated in the Notice of Cooperative Service Agreement, this designation must be included in correspondence letters to the cooperator. APHIS encourages cooperators to officially designate their representative.

Disapproval

When a decision has been made not to approve a cooperator's request for services, the APHIS program office will promptly notify the cooperator in writing. Notification of disapproval will be made to the official who submitted the request.

Collection of Funds

APHIS should collect funds in advance to cover the provision of goods and services as outlined in the Cooperative Service Agreement. APHIS may consider reimbursement from a cooperator after the Agency provides the cooperator with services only in those cases when APHIS is able to ensure that it is legally and financially able to absorb costs incurred under the agreement in case of cooperator default on the agreement.

APHIS will not:

A. Continue to provide services after the agreement expires unless APHIS has a written commitment from the cooperator to cover the estimated charges for APHIS' services.

B. Continue to provide services if there is any outstanding money due to APHIS unless agreed to by APHIS.

C. Delay refunds to the cooperator beyond 90 days from the end of APHIS' services, unless directed by the cooperator.

Payment Methods

Advance Payment. The cooperator should include payment along with the signed agreement on or before final signature by APHIS. Payments (in the form of certified, cashiers check, or via wire transfer) must only be made payable to USDA/APHIS. APHIS' accounting code should appear with the payment to ensure that the proper account is credited.

For cooperative service agreements with total costs of less than US$1,000 payment may be made by personal check. All personal checks must only be made payable to USDA/APHIS. APHIS' accounting code should appear with the payment to ensure that the proper account is credited.

Reimbursement. This method should rarely be used. However, if this method is permitted, the cooperator will pay bills promptly and as agreed after services, or any agreed to part thereof, have been performed and make payments as stated in the above paragraph. Instructions for the cooperator to follow in making these payments are shown on the Agency billing statement.

Duration

Cooperative service agreements will be limited to a period not to exceed 5 years. If services under a particular cooperative service agreement are required in excess of five (5) years, a new agreement or appropriate amendment will be entered into by the parties upon expiration of the original agreement or successive documents.

APHIS Overhead

APHIS charges overhead (also occasionally called "administrative costs") on cooperative service agreements. Overhead expenses are charged so that APHIS may recover its administrative costs associated with performing the work. The current APHIS overhead rate is 13.9 percent of the gross costs associated with providing services to a cooperator.

APHIS' overhead rate is broken down into two components: (1) the Agency Support portion and (2) the Unit Support portion.

APHIS' overhead calculation can be determined by two methods. To decide which calculation method to use, you must determine if the total amount of the agreement is known. If it is known, use Method A. Otherwise, use Method B as described below.

METHOD A:

If the total amount of the agreement is to be $100,000 and you need to determine Agency overhead (OH), multiply $100,000 by 13.9 percent (or .139) for total overhead of $13,900. The overhead is further broken down by the following allocation: 5.15 percent (.0515) for Agency support activities and an average of 8.75 percent (.0875) to cover Unit costs.

For example:

$100,000 $100,000
x .0515 x .0875
$ 5,150 Agency OH + $ 8,750 Unit OH = $13,900 Total OH

Therefore, on this example:

$100,000 Agreement Total
- 5,150 Agency OH (.0515)
- 8,750 Avg. Unit OH (.0875)
$ 86,100 Total Direct Costs

METHOD B:

Use method B when only the direct costs (net) of the agreement are known and you need to add overhead to that figure. Agency overhead is 16.15 percent (.1615) of the net amount. Agency support overhead is 5.98 percent (.0598) and the average Unit overhead is calculated as 10.17 percent (.1017) of the net.

$ 86,100 $86,100
x .0598 x .1017
$ 5,149 Agency OH + $ 8,756 Unit OH = $ 13,905 Total OH

$ 86,100 Direct Costs
\+ 5,149 Agency Support OH (.598)
\+ 8,756 Avg. Unit OH (.1017)
$ 100,005 Agreement Total

Financial Reporting

Financial reporting involves maintaining detailed accounting records from summary statements and status letters. These documents must be reviewed for accuracy and cooperator accounts adjusted as necessary. Specifically this entails:

A. Timely processing of obligating documents, such as travel vouchers, receipt of purchase orders, invoices, and time and attendance into the Agency's Central Accounting System (CAS).

B. Generating accounting reports from CAS data.

C. Reconciling the CAS reports with informal ledgers/records.

D. Producing periodic financial statements and status letters covering each active account.

E. Identifying deficits or surpluses in agreement funding promptly to ensure performance of work commensurate with the terms of agreement.

F. Entering agreement's financial information into the ATS and keeping this data up-to-date.

Monitoring and Evaluating

This involves analyzing each cooperative service agreement to ensure that sufficient funds are on deposit or proper commitments made before work has started. Each agreement should be evaluated to ensure that APHIS has accomplished its agreed upon objectives. Usually, the ADODR monitors and evaluates the agreement, as necessary. The ADODR must also ensure that the cooperator has program accomplishment reports or other reports required by the terms of the agreement.

Closeout

When cooperative service agreements are terminated, or otherwise expired, the signatory official must initiate action to formally cancel this agreement. This involves: (1) notifying cooperator of intent to terminate the cooperative service agreement and providing information on the agreement's financial and program status, (2) final reconciliation of agreement account, (3) advising FSO that the agreement has been terminated or otherwise expired, and initiating steps to bill for services rendered or collect on outstanding debt.

Revisions

A revision (formerly called amendment) is a written change in the terms and conditions of the cooperative service agreement document occurring before expiration. Some revisions include changes in funding amount, project scope, and agreement duration. See **Table 6-1** for a listing of the required documents when an agreement is revised.

Receipt and Obligation of Funds

Upon receipt of funds from the cooperator either in advance (trust fund) or by reimbursement upon providing services, as is detailed in the Notice of Cooperative Service Agreement, the unit receiving the funds will acknowledge receipt and transmit funds for deposit by FSO through completion of *APHIS Form-94, Record of Public Funds Received*. The unit making the deposit should:

A. Attached payment to the form mentioned above.

B. Include the Cooperative Service Agreement number.

C. Include the accounting code.

D. Include the cooperator's name.

E. Include the date of payment receipt.

F. Include the name of the APHIS employee handling payment, location and phone number (as appropriate), and date of transmission.

For more information on these procedures, please check the Budget and Accounting Manual.

REST STOPS, 41 Code of Federal Regulations Part 301-7.11

Sec. 301-7.11 Rest stops when travel outside CONUS is involved.

(a) When travel is direct between authorized origin and destination points which are separated by several time zones and either the origin Or destination point is outside CONUS, a rest period not in excess of 24 hours may be authorized or approved when air travel between the two points is by less-than-premium-class accommodations and the scheduled flight time, including stopovers, exceeds 14 hours by a direct or usually traveled route.

(b) The rest stop may be authorized at any intermediate point, including points within CONUS, provided the point is midway in the journey or as near to midway as requirements for use of U.S. flag air carriers and carrier scheduling permit.

(c) A rest stop shall not be authorized when an employee, for personal convenience, elects to travel by an indirect route resulting in excess travel time.

(d) The per diem rate for the rest stop shall be the rate applicable for the rest stop location.

(e) When carrier schedules or the requirements for use of U.S. flag air carriers preclude an intermediate rest stop, or a rest stop is not authorized, it is recommended that the employee be scheduled to arrive at the temporary duty point with sufficient time to allow a reasonable rest period before reporting for duty. A reasonable rest period shall not be allowed when travel is authorized by premium-class accommodations. (See Sec. 301-3.6 for guidelines on the use of U.S. flag carriers.)

[FTR Amdt. 10, 55 FR 41526, Oct. 12, 1990, as amended by FTR Amdt. 32, 58 FR 58241, Oct. 29, 1993]

Steve Halperin PLRO Matters

27716

DECISION

THE COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-213593 **DATE:** March 20, 1984

MATTER OF: Gerald F. Krom and James A. Bosch
"Two-day Per Diem Rule"
Reimbursement of Travel Costs

DIGEST:

> The "2-day per diem" rule limiting per diem which is outlined in 56 Comp. Gen. 847 (1977) and 55 Comp. Gen. 590 (1975) is not applicable where an employee's travel is extended by 2 or more days, not due to his personal desire to avoid working on nonworkdays, but rather due to Government orders based upon an administrative determination that it would be cost effective to extend the employee's traveltime in lieu of requiring weekend overtime work.

This responds to a request for an advance decision by a certifying officer of the Omaha District, Army Corps of Engineers (Corps) as to the propriety of payment of travel claims submitted by Mr. Gerald F. Krom and Mr. James A. Bosch. For the following reasons, we conclude that the claims may be paid as submitted by the employees.

Claim of Gerald F. Krom

Mr. Krom, a drill rig operator with the Corps was ordered to travel from Denver, Colorado, his temporary duty (TDY) station, to his permanent duty station, Omaha, Nebraska, to transport a drill rig from Omaha to Denver because of a major mechanical breakdown of the rig being used in Denver. Mr. Krom prepared a Government-owned, truck-mounted rig for transport to Denver on the afternoon of November 18, 1982. He departed from Omaha with the rig at 9:15 a.m. on Friday, November 19, and drove to Julesburg, Colorado, arriving at 5:15 p.m. the same day. Mr. Krom remained in Julesburg Saturday and Sunday and departed for Denver on Monday at 7:00 a.m. He arrived with the rig at 11:15 a.m. Monday. Mr. Krom then remained in Denver performing work in a TDY status.

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Relying on our decision at 55 Comp. Gen. 590 (1975), the Corps' Finance and Accounting Office denied Mr. Krom's claim for per diem for the weekend spent in Julesburg, Colorado. In 55 Comp. Gen. 590 (1975), we denied payment of per diem for a 3-day (holiday) weekend to an employee who traveled during work hours on a Friday to report for temporary duty the following Tuesday. Noting the administrative finding that the employee's early departure "was a matter of personal covenience," we discussed the "2-day per diem rule" stating that, "* * * the payment of additional per diem costs for 2 days or more <u>for the purpose of facilitating an employee's travel during regular duty hours is not considered reasonable.</u>" (Emphasis added.) We also discussed the so called "2-day per diem" rule in <u>George K. Derby,</u> B-203915, June 8, 1982, where we stated that it, " * * * governs payment of per diem <u>when an employee delays travel</u> in order to travel during regularly scheduled working hours * * *." (Emphasis added.)

The facts here are distinguishable from those in 55 Comp. Gen. 590 (1975). Mr. Krom, a nonexempt employee under the overtime provisions of the Fair Labor Standards Act (FLSA) was ordered by his supervisors to travel as he did and stay in Julesburg for the weekend based upon a management decision that it would be more cost effective to pay Mr. Krom per diem for the weekend than to pay him FLSA required overtime for working on the weekend. In addition, due to the potential cost of having the drilling crew idle, it was administratively determined that Mr. Krom had to start moving the rig Friday, instead of waiting until the following week. Under circumstances such as these, where an employee's traveltime is extended for the calculated pecuniary advantage of the Government rather than for the employee's personal convenience, the "2-day per diem" rule of 56 Comp. Gen. 847 (1977) and 55 Comp. Gen. 590 (1975), limiting per diem does not apply. Accordingly, Mr. Krom may be paid per diem for the Saturday and Sunday during which he was instructed to remain in Julesburg, Colorado.

<u>Claim of James A. Bosch</u>

Mr. Bosch was a drill rig operator and driver with the Corps and was a nonexempt employee under the overtime provisions of the FLSA. He was ordered to drive a heavy duty Government-owned vehicle from Fort Peck, Montana, his TDY station, to his permanent duty station in Omaha, Nebraska. The travel began on Wednesday, September 29, 1982, and Mr. Bosch arrived at Sioux City, Iowa, on Friday, October 1, at 4:30 p.m. Under standing orders requiring prior approval for overtime work, Mr. Bosch was not given approval to continue travel from Sioux City, Iowa to Omaha, Nebraska on October 2, 1982, in an overtime status.

Instead, Mr. Bosch remained in Sioux City over the weekend and completed his travel between the hours of 7:30 a.m. and 11:00 a.m. on Monday, October 4.

While it is unclear whether it would have been possible for Mr. Bosch to begin transporting the vehicle on Tuesday instead of Wednesday thereby preventing the weekend holdover in Sioux City, we nonetheless conclude that since the hold-over in Sioux City was based upon orders to avoid overtime work and an administrative determination that the Government would save money if Mr. Bosch stayed over in Sioux City the "2-day per diem rule" of 56 Comp. Gen. 847 (1977) and 55 Comp. Gen. 590 (1975) is not applicable. Mr. Bosch may be paid per diem for the weekend of October 2 and October 3, 1982, spent in Sioux City.

The vouchers are returned and payment may be made in accordance with the above.

Milton J. Socolar
for Comptroller General
of the United States

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DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-198385, B-198386, and B-198400

DATE: September 10, 1981

MATTER OF: John B. Schepman, et al. - Overtime Compensation for Travel

DIGEST:

1. Entitlement to overtime compensation while in travel status under 5 U.S.C. § 5542(b)(2)(B)(iv) requires at least that: (1) travel result from event which could not be scheduled or controlled administratively, and (2) immediate official necessity in connection with event requiring travel to be performed outside employee's regular duty hours. In instant case, neither condition was fulfilled, and request for overtime compensation is denied.

2. Our so-called "two-day per diem" rule merely governs payment of per diem when employee delays travel in order to travel during regularly scheduled working hours. Entitlement to overtime compensation, however, is determined by the distinct criteria under 5 U.S.C. § 5542(b)(2) as interpreted by our decisions. Mere compliance with "two-day per diem" rule will not result in payment of overtime compensation since per diem and overtime are governed by different criteria.

This decision is in response to consolidated appeals by Messrs. John B. Schepman, H. Paul Ringhand, and Leland R. Alexander, employees of the Food and Drug Administration (FDA), Department of Health and Human Services, Cincinnati, Ohio, from our Claims Group's actions of December 21, 1979, Settlement Certificate Nos. Z-2818652, Z-2818653, and Z-2819227, respectively, denying their requests for overtime compensation.

The above-named employees (hereafter claimants), along with several others, were required to travel from their duty station in Cincinnati, Ohio to Cleveland, Ohio, on November 6 or 7, 1978, on very short notice.

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A Temporary Restraining Order had been issued by the United States District Court, and these employees, who were FDA investigators and analysts, had to assist the United States Attorney in the preparation of his case and had to be prepared to testify as witnesses on behalf of the Government at a hearing on November 9, 1978. The claimants traveled to Cleveland within regularly scheduled working hours which were 8 a.m. to 4:30 p.m. On Thursday, November 9, 1978, the hearing took place. At approximately 5:30 p.m., when the hearing was over, the claimants were released and instructed to return to their duty stations. The claimants returned to Cincinnati that evening by Government car which took approximately 6 hours. The following day was Friday, November 10, 1978, a Federal holiday. The next regularly scheduled workday for the claimants did not begin until 8 a.m. on Monday, November 13, 1978.

After returning to their duty stations, the claimants reported the hours spent in travel for the return trip as overtime, and submitted expense vouchers for the trip. Their supervisors requested overtime compensation for the travel time back to Cincinnati as compensable overtime work as provided for in 5 U.S.C § 5542(b)(2)(B)(iv) (1976).

All parties involved and our Claims Group agree that the initial trip to Cleveland resulted from an administratively uncontrollable event, i.e., the Court's scheduling of the hearing. Furthermore, FDA now agrees that Friday, November 10, 1978, was a holiday for all purposes, and cannot be considered an ordinary workday for travel purposes.

The proper resolution of the instant case depends upon an understanding of two distinct legal concepts which often appear in the same case: (1) the so-called "two-day per diem" rule, and (2) the employees' entitlement to overtime compensation or compensatory time for time spent traveling.

The former concept governs payment of per diem when an employee delays travel in order to travel during regularly scheduled working hours, and was set forth in our decision, James C.Holman, B-191045, July 13, 1978 as follows:

> "* * * insofar as permitted by work requirements, travel may be delayed to permit an employee to travel during his regular duty hours where the additional expenses incurred do not exceed 1-3/4 days' per diem costs. 56 Comp. Gen. 847 (1977). * * *"

This rule originally evolved as a prohibition against delaying travel over a weekend for the sole purpose of allowing an employee to travel during working hours. It was predicated in part on the statutory policy of 5 U.S.C. § 6101(b)(2) calling for the scheduling of employee travel, to the maximum extent practicable, within the regularly scheduled workweek (which will be discussed further, below). 56 Comp. Gen. 847, 848 (1977). Thus, the "two-day per diem" rule, as stated in that decision and in 55 Comp. Gen. 590, 591 (1975), provides that where scheduling to permit travel during normal duty hours would result in the payment of 2 days or more of per diem, the employee may be required to travel on his own time rather than on official time.

In order to be entitled to overtime compensation, however, the circumstances of an employee's travel must meet the distinct and additional criteria for payment of overtime compensation set forth at 5 U.S.C. § 5542 (b)(2). The mere fact that the "two-day per diem" rule applies is not sufficient to create an entitlement to overtime. We have held that the travel time on nonworkdays may be compensated when the above statutory criteria are met. 51 Comp. Gen. 727, 732 (1972) and 50 *id*. 674, 676 (1971). Similarly, an employee may be paid overtime under the Fair Labor Standards Act (FLSA), 29 U.S.C. §§ 201 *et seq*. when travel must be performed on a nonworkday during regular working hours in order to avoid the payment of more than 1-3/4 days' per diem costs. *Shirley B. Hjellum and Gary B. Humphrey*, B-192184, May 7, 1979.

In the instant case, since the claimants as professional employees are exempt from coverage under FLSA, their entitlement to overtime compensation is governed by the applicable provisions of 5 U.S.C. § 5542(b)(2)(B) which, in relevant part, provides:

"(b) For the purpose of this subchapter--

* * * * *

"(2) time spent in a travel status away from the official-duty station of an employee is not hours of employment unless--

* * * * *

"B) the travel (i) involves the performance of work while traveling, (ii) is incident to travel that involves the performance of work while traveling, (iii) is carried out under arduous conditions, or (iv) results from an event which could not be scheduled or controlled administratively."

There is nothing in the administrative record which indicates the applicability of items (i),(ii), or (iii). Thus, the issue presented is whether the claimants' return trip can be considered as resulting from an event which could not be scheduled or controlled administratively as that phrase has been interpreted by our decisions. In addition, an employee's travel is to be scheduled in accordance with the provisions of 5 U.S.C. § 6101(b)(2) which provides:

"To the maximum extent practicable, the head of an agency shall schedule the time to be spent by an employee in a travel status away from his official duty station within the regularly scheduled workweek of the employee."

As interpreted by our decisions, 5 U.S.C. § 5542 (b)(2)(B)(iv) requires that, for the purpose of allowing overtime compensation or compensatory time, the following conditions be present: (1) travel resulting from an event which could not be scheduled or controlled administratively, and (2) an immediate official necessity in connection with the event requiring the travel to be performed outside the employee's regular duty hours.

51 Comp. Gen. 727 (1972) and Mark Burstein, B-172671, March 8, 1977. The interrelationship between our "two-day per diem" rule, and entitlement to overtime compensation can be seen in cases where, for example, we have required that in addition to the two foregoing conditions, both of which must be met, the employee must also fulfill a third condition namely, notwithstanding that there is sufficient notice of the uncontrollable event to permit scheduling of the travel during his regularly scheduled duty hours, the scheduled start of the event must require travel during a period of at least two successive off-duty days. 51 Comp. Gen. 727, 732 (1972) and 50 Comp. Gen. 674, 676 (1971).

Although initial travel to a place may fall within one or more of the conditions of 5 U.S.C. § 5542(b)(2)(B) to qualify as hours of employment, we have consistently held that the return travel itself must meet one of those conditions in order to qualify the travel time involved as hours of employment. 51 Comp. Gen. 727 (1972); 50 id. 519 (1971); 50 id. 674 (1971); and William C. Boslet, et al., B-196195, February 2, 1981. In the instant case, the record fails to reveal that the claimants were required to return to Cincinnati by an administratively unscheduled or uncontrollable "event," i.e., anything which necessitates an employee's travel. 51 Comp. Gen. 727 (1972) and Mark Burstein, B-172671, March 8, 1977. While FDA obviously had no control over the time that the Court dismissed the hearing, the fact that the return travel began at that time is not determinative. To meet the requirements of the statute, the event which necessitated the claimants' travel outside of regular duty hours must have been one which could not be scheduled or controlled administratively. As found by our Claims Group, the only purpose of the claimants' travel was to return to their duty station. Furthermore, an employee's mere presence at his permanent duty station on the next workday is not normally considered an administratively uncontrollable event. John B. Currier, 59 Comp. Gen. 96 (1979) and Raymond Ratajczak, B-172671, April 21, 1976.

Even if the first condition had been fulfilled, however, there is no indication in the record that there was an immediate official necessity, in connection with the event, and, thus, the second condition was not fulfilled either. While an FDA memorandum in the file of this case indicates the claimants were not "ordered" to return to their duty station, another notes that at 5:30 p.m. they were "instructed to return to their duty stations." There is nothing in the record to show that there was any official necessity for them to return immediately to Cincinnati, so neither of the requirements for the entitlement to overtime compensation for travel time is met.

In their submissions, claimants have placed great emphasis on the "two-day per diem" rule. Their argument is to the effect that this rule required their return on Thursday night. Furthermore, they argue that their actions are in accord with the Federal Personnel Manual Supplement (FPM Supp.) 990-2, Book 550, subchapter S1-3b (Case No. 5), relating to premium pay, which states in part as follows:

> "On the other hand, if the employee (whose regular hours of work are 8 a.m. to 5 p.m., Monday through Friday) completes the course at 5 p.m. Friday, his travel on either Friday night or Saturday (depending on availability of transportation) will be payable because, under a decision of the Comptroller General (B-160258, November 21, 1966), he is not entitled to per diem if he should remain until Monday, and thus, his travel time cannot be controlled realistically."

The above line of argument, however, represents a confusion between the two distinct legal concepts of the "two-day per diem" rule, and entitlement to overtime compensation. As explained in more detail above, the former concept merely governs payment of per diem when an employee delays travel in order to travel during regularly scheduled working hours. The latter concept is governed by the <u>distinct and additional</u> criteria for payment set forth at 5 U.S.C § 5542(b)(2). It is true that the policies of 5 U.S.C. § 6101(b)(2) requiring scheduling, to the maximum extent practicable, of travel within an employee's regularly scheduled workweek are common to both concepts. However, merely because an employee complies with the "two-day per diem" rule, it does not follow that he is entitled to overtime compensation under 5 U.S.C. § 5542(b)(2)(B)(iv), which requires at least that (1) the travel result from an event which could not be scheduled or controlled administratively, and (2) an immediate official necessity in connection with the event requiring the travel to be performed outside the employee's regular duty hours. 51 Comp. Gen. 727 (1972) and Mark Burstein, B-172671, March 8, 1977. As can be seen from some of our cases, the proper application of these two different but related concepts will result, in certain cases, in the conclusion that there is no statutory authority for allowing payment of either per diem for delaying travel until it can be accomplished during normal working hours or overtime compensation when the employee travels outside normal working hours. Charles C. Mills, B-198771, December 10, 1980 and B-163654, January 21, 1974. See Barth v. United States, 568 F.2d 1329 (Ct. Cl. 1978).

In regard to claimants' argument based on the FPM Supp. example, we must reluctantly conclude that the FPM Supp. has improperly applied the case of B-160258, November 21, 1966, which is published at 46 Comp. Gen. 425 (1966). That decision, while it is still legally valid, deals only with per diem and its relevant rules. It did not purport to deal with the question of overtime compensation. While the FPM Supp. example is correct in finding that there would be no entitlement to per diem in the example given if the employee should remain until Monday, it incorrectly assumes that such compliance will necessarily entitle the employee to overtime compensation merely because his travel time cannot be controlled realistically. As shown above, such an assumption is unfounded, and the "two-day per diem" rule and entitlement to overtime compensation are governed by different criteria. Accordingly, the claimants' argument fails because 46 Comp. Gen. 425 (1966) in this context was only concerned with per diem, and has no applicability to the question of entitlement to overtime compensation. We have provided the Office of Personnel Management with a copy of this decision.

For the foregoing reasons, we affirm the disallowance by our Claims Group of claimants' request for overtime compensation for travel.

We note that the answer to question 2 in our decision Earl S. Barbely, B-192839, May 3, 1979, is inconsistent with this decision. To the extent of the inconsistency, Barbely will no longer be followed.

Milton J. Socolar

Acting Comptroller General
of the United States

APHIS POLICY, ACCOUNTING, AND REPORTING PROCEDURES FOR FOREIGN IMPREST FUNDS

OVERVIEW

On November 9, 1999, the U.S. Department of Treasury (Treasury) published the Imprest Fund Policy Directive (Policy Directive) on its imprest fund website at www.fms.treas.gov/imprest. The revised Treasury Department policy is for all USDA agencies to eliminate all domestic imprest funds by October 1, 2001, except where the need for an imprest fund is justified and the imprest fund is operated in compliance with the Treasury policy directive. In compliance with this directive, APHIS eliminated all domestic imprest fund accounts as of September 30, 2001.

The purpose of imprest funds is to make small payments in cash when an office has a recurring need to reimburse employees for official business expenses. Currently, APHIS operates imprest funds in many foreign countries because of the need for making purchases in local currency and to avoid high administrative processing costs for being reimbursed through the State Department's petty cash funds in embassies overseas. APHIS needs these foreign imprest funds to carry out its Agency's mission overseas.

POLICY

Departmental Regulation 2250-001, "Imprest Fund Authorities and Requirements," dated August 11, 2003 requires that USDA agencies eliminate agency imprest funds except for waived payments only if they meet waiver criteria as described in the FMS Imprest Fund Policy Directive at www.fms.treas.gov/imprest. In addition, all APHIS imprest funds in overseas locations must be certified annually in accordance with Treasury and USDA policy and regulations. Claims in excess of $500 must have written approval from the Head/Administrator of APHIS and the written approval must accompany the reimbursement.

APPROVING OFFICIAL

The Director of the Financial Management Division (FMD) or designees have the authority to delegate cashier appointment and revocation responsibility to an individually named approving official within the agency without approval of Treasury's Financial Management Service. Approving officials are not permitted to redelegate their authority.

Approving officials appoint a cashier by completing form OF-211, Request for Change or Establishment of Imprest Fund (Exhibit 1a).

IMPREST FUND CASHIER

An imprest fund cashier is an officer or employee of an agency who is designated as a cashier by an approving official, and is authorized to perform limited cash disbursing functions or other cash operations. The imprest fund cashier is personally liable for all funds received and should not make unauthorized use of the funds. The imprest fund cashier is responsible and accountable for safeguarding the imprest fund account from loss or theft (e.g., a cash lock box or safe drawer should provide adequate protection of the funds from loss, misuse, or theft).

IMPREST FUND SUBCASHIER

A subcashier is one who has been designated in writing to receive an imprest fund from a Class B or D cashier. The subcashier is under the supervision of the immediate office responsible for the physical custody of the Class B or D imprest fund. The subcashier is accountable to the cashier from whom the advance is received.

ESTABLISHING THE FUND

APHIS may establish and maintain a foreign imprest fund only if they meet the waiver criteria described in the FMS Imprest Fund Policy Directive at www.fms.treas.gov/imprest.

Form OF-211 Request for Change or Establishment of Imprest Fund (Exhibit 1a and 1b) is used to establish, revoke, or change an imprest fund or an imprest fund cashier's designation. This form also designates the cashier responsible for the fund and the amount of the fund. The Minneapolis Financial Services Branch (MFSB) prepares this form upon receipt of a memo from the regional office requesting the establishment, designation, revocation, or change in the fund.

DOCUMENTATION/PROCEDURES FOR RECORDING ALL PAYMENTS

As payments are made from the imprest fund, the imprest fund cashier fills out form AD-661, Cashier Sub-Voucher Register (Exhibit 2). You must retain all documents that support cash payments since they become sub-vouchers to the account. Each disbursement must be supported by completing form SF-1165 Receipt for Cash – Sub-voucher (Exhibit 3).

REPLENISHING THE FUND

To request and obtain imprest fund replenishment, the imprest fund cashier must submit form SF-1129 (Exhibit 4), Cashier Reimbursement Voucher and/or Accountability Report to MFSB. The cashier can submit a replenishment request as often as needed, but there must be at least one replenishment request each month. If there were no transactions during the month, do not submit an SF-1129. Claims in excess of $500 (i.e., for a one-time purchase) require written approval from the Agency Head. The written approval is a "blanket" type waiver and is good for the life of the fund. The waiver must be kept on file at the regional location and must be submitted along with the replenishment request. Also, a copy of the waiver must be kept on file in FMD.

The cashier forwards the original and supporting receipts to MFSB along with the SF-1129. Each sub-voucher is recorded individually and must include an accounting code, transaction amount, budget object class breakout, and transaction description. The imprest fund cashier must indicate where and how payment is desired. There are two options in which to request imprest replenishment – through a US currency check (via the Foundation Financial Information System (FFIS) or Electronic Certification System) or a foreign currency check (via the Kansas City Treasury Department through the State Department). There is a one check per month per location limit when requesting a foreign currency check through the Kansas City Treasury. However, you may request an unlimited number of US currency replenishments. In addition, the request must specify the name of the express mail service being used and an account number.

When cashing a replenishment check the cashier should record the exchange rate used for the conversion. This is the case whether the cashier chooses to exchange the entire amount or a portion of the check. If the money is exchanged for each transaction the exchange rate should be recorded for each purchase. It is important that this information is available at all times so that at any given time an audit can be conducted and all information is accessible.

Prior to the end of each fiscal year (September 30), year-end close out procedures will be e-mailed directly to each field office operating an imprest fund. For year-end reporting purposes, cashiers must submit an SF-1129 to MFSB by September 10 if there are disbursements that have not yet been reimbursed.

The Detail Transaction Report shows the transaction as they reported in FFIS. The reference field contains the name of the imprest fund cashier and detailed information regarding the expenditure of the reimbursement for each transaction. To aid in the reconciliation process, it is imperative the field submit no more than a 30 character description for each transaction. MFSB will enter the information as provided on the replenishment request.

ACCOUNTABILITY REPORTS

Monthly accounting reports are required and must be submitted to MFSB within 10 days of the month's close. If a fund is large enough to warrant more than one replenishment request per month, a separate SF-1129 should be completed and marked "Accountability Report" and must be submitted along with copies of supporting documentation. If the imprest fund is small and only one replenishment request is submitted each month, a signed copy of the reimbursement voucher
SF-1129 can be used as the accountability report. Accountability reports must include an accounting of cash on hand and any unpaid vouchers, receipts, and other information which indicates the status of the imprest fund.

VERIFICATION OF IMPREST CASH

A verification of imprest cash is a documented, unannounced verification of the cash balance in an imprest fund. These spot checks are made at least once each quarter as required by Treasury. More comprehensive and more frequent audits can be done at Agency discretion. These quarterly cash verifications must be coordinated and performed by the cashier's supervisor. The form to be used is an AD-358, Verification of Imprest Fund Cash (Exhibit 5). A copy of the completed and signed AD-358 should be forwarded to Minneapolis.

The unannounced audits serve primarily as a financial audit of the fund, but the following will also be verified:

- ✓ All funds are properly accounted for.
- ✓ The amount of the fund is not in excess of the cash requirements.
- ✓ Offices are following procedures that will adequately protect the funds from loss of misuse.
- ✓ Offices/cashiers are not making unauthorized use of the funds.

The frequency of these verifications and audits and the requirements for performing them are determined by the Agency and in compliance with Treasury requirements, which will give consideration to the location of the cashier, the amount of the fund, and other relevant factors in making their decisions.

IMPREST FUND AUDIT

An imprest fund audit is an independent review of the activity, use, documentation, and cash balance of an imprest fund. An imprest fund audit must be coordinated and performed at least once a year by MFSB or an individual designated by MFSB. The forms to be used are an SF-1129 and an AD-359, Cashier Account Audit (Exhibit 6). Completed and signed forms need to be forwarded to MFSB.

LIQUIDATING AN IMPREST FUND

To liquidate an imprest fund all cash must be returned in the equivalent of U.S. dollars with a check made out to USDA along with an APHIS 94 Record of Public Funds Received (Exhibit 7) to MFSB. This change should be indicated on an OF-211, Request for Change or Establishment of Imprest Fund and submitted to MFSB.

For reporting purposes, the general ledger "(41)" account symbol should be used.

YEAR-END REPORTING

Field offices should report the status of the fund in accordance with APHIS' accounting and year-end closing procedures.

REFERENCE MATERIAL AND ASSISTANCE

Policy Guidance: In addition to APHIS standard operating procedures outlined in this manual, cashiers operating overseas can refer to the guidance of the APHIS Imprest Fund

Audit Guide, Volume 4 of the State Department's Foreign Affairs Manual part 390 Cashier Operations, and Volume 4 of the State Department's Foreign Affairs Handbook part 390 Cashier Operations. Additional policy guidance for cashier operations is provided in the Treasury Department Manual of Procedures and Instructions for Cashiers and the Serviced Post User Manual, Appendix A, Cashier Manual for Cashiers in Foreign Countries. For assistance on policy and regulations and obtaining reference material, contact the FMD, FSB, at
301-734-8729, or visit Treasury's website at www.fms.treas.gov/imprest.

Operational Guidance: MRPBS, MFSB will establish, administer, and control imprest funds in accordance with USDA and Treasury regulations. MRPBS, MFSB will maintain documentation and files for all imprest fund accounts (i.e., requests to establish, revoke, or change and imprest fund, cashier and sub-cashier designation letters, replenishment requests, audits/reviews). For additional assistance, contact MFSB at 612-336-3247.

PART 301-9 MISCELLANEOUS EXPENSES

§301-9.1 Expenses Allowable.

Telephone Calls.

- Telephone calls authorized under FTR 301-6.4 should be claimed as a miscellaneous expense.
- The cost of all telephone calls claimed, regardless of amount, must be supported by a receipt.
- Personal telephone calls must be separately identified from official calls.

Automatic Teller Machine (ATM) Transaction Fees.

ATM transfer fees are reimbursable on travel vouchers.

EFFECTIVE 9/13/99 Laundry Expenses.

Employees traveling on official business in CONUS may claim reimbursement of laundry, dry cleaning, or pressing of clothing expenses as a separate miscellaneous expense when the following conditions are met:

- **Traveler incurs seven or more consecutive nights lodging on official travel.**
- **Laundry expense must be incurred at a TDY site.**
- **Laundry expenses may not be incurred on the first or last day of travel.**
- **Receipts must accompany the travel voucher to substantiate the claim. If coin operated laundry facilities are used, travelers must certify on the travel voucher that items were laundered during official travel status and no receipt was obtainable.**

Reimbursement is limited to actual expenses, not to exceed $15 for each seven consecutive nights lodging.

Approving officials may grant exceptions to the above conditions when unusual or unforeseen circumstances occur. A written explanation of the circumstances must accompany the travel voucher and be approved by traveler's supervisor.

Reimbursement for laundry expenses in CONUS that does not meet the above conditions, and laundry expenses incurred outside CONUS and in foreign areas are still covered as part of the M&IE incidentals portion of the locality per diem rate.

(e) Other Expenses. Miscellaneous expenditures not enumerated in this section, when necessarily incurred by you in connection with the transaction of official business will be allowed when approved.